

Date of Hearing: June 18, 2024

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, AND TOURISM

Mike Gipson, Chair

SB 1456 (Ashby) – As Introduced February 16, 2024

SENATE VOTE: 37-0

SUBJECT: State Athletic Commission: Advisory Committee on Medical and Safety Standards

SUMMARY: This bill specifies that the California State Athletic Commission (CSAC or Commission) Advisory Committee on Medical and Safety Standards include at least one licensed physician and surgeon certified in neurology by a specialty board that is a member board of the American Board of Medical Specialties.

Specifically, **this bill:**

- 1) Specifies that the Commission must include on the Advisory Committee on Medical and Safety Standards at least one licensed physician and surgeon certified in neurology by a specialty board that is a member board of the American Board of Medical Specialties.

EXISTING LAW:

- 1) Regulates and licenses combat sports under the Boxing Act, or State Athletic Commission Act, administered by the Commission. (Business and Professions Code (BPC) Sections 18600-18887)
- 2) Establishes the Commission, under the Department of Consumer Affairs, consisting of seven members. This section shall remain in effect only until January 1, 2025, and as of that date is repealed. (BPC 18602)
- 3) Defines “contest” and “match” synonymously to mean professional and amateur boxing, kickboxing, and martial arts exhibitions, and mean a fight, prizefight, boxing contest, pugilistic contest, kickboxing contest, martial arts contest, or sparring match, between two or more persons, where full contact is used or intended that may result or is intended to result in physical harm to the opponent. (BPC 18625(a))
- 4) Requires every promoter who conducts a boxing or martial arts contest or wrestling exhibition and charges admission to, within 72 hours after the determination of the contest or exhibition, give the commission the following:
 - a) A written report showing the amount of the gross receipts, not to exceed \$4,000,000, and the gross price for (1) the contest or exhibition charged directly or indirectly and (2) the price for the sale, lease, or other exploitation of broadcasting and television rights of the contest or wrestling exhibition without any deductions, except as specified. (BPC 18824(a)(1))
 - b) A fee of 5% of the amount paid for admission to the contest or wrestling exhibition, but no more than \$200,000. The commission shall report to the Legislature on the fiscal

impact of the \$200,000 limit on fees collected by the commission for admissions revenues during its next sunset review. (BPC 18824(a)(2))

- c) A fee of up to 5% of the gross price for the sale, lease, or other exploitation of broadcasting or television rights, but no less than \$1,000 or more than \$35,000.
- 5) Specifies that, if the fee on admissions for a 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 Boxers' Pension Fund. (BPC 18824(a)(2)(B))
- 6) Establishes within the jurisdiction of the Commission an Advisory Committee on Medical and Safety Standards. This committee consists of six licensed physicians and surgeons appointed by the Commission for a term not to exceed four years, with the purpose of studying and recommending medical and safety standards for the conduct of boxing, wrestling, and martial arts contests. (BPC 18645)

FISCAL EFFECT: According to the Senate Appropriations Committee, the 2024-25 Governor's Budget provides approximately \$2.22 million (Athletic Commission Fund) and 10.7 positions to support the continued operation of the commission's licensing and enforcement activities.

COMMENTS:

- 1) Author's Statement. According to the author, "This bill is necessary to make changes to the California State Athletic Commission to improve oversight of the regulated professions under the jurisdiction of the Commission."
- 2) Background. The Commission is responsible for protecting the health and safety of its licensees: boxers, kickboxers, and other martial arts athletes. Concerned with athlete injuries and death, the public established the Commission by initiative in 1924. The Commission is responsible for implementation and enforcement of the Federal Muhammad Ali Boxing Reform Act (Federal Boxing Act) and the California Boxing Act or State Athletic Commission Act (State Act). It provides direction, management, and control for professional and amateur boxing, professional and amateur kickboxing, and 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. 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 2023, the Commission supervised 150 events.

As a special fund entity, the Commission receives no General Fund support, relying solely on fees set in statute and collected from regulatory 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 \$200,000. 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 \$35,000.

The Commission licenses a number of individuals related to the participation in, oversight for, and management of events in California. The Commission does not require any formal

education requirements for licensure of fighters, promoters, managers, seconds, matchmakers, referees, judges and timekeepers. However, licensees must possess a minimum level of skill to enable them to safely compete against one another and demonstrate their ability to perform. Licensees who do not fall into the combatant category such as referees, judges, timekeepers and ringside physicians (who are approved by the Commission) must have adequate knowledge of laws and rules so as not to jeopardize the health and safety of athletes. Many of the Commission's licensees must also pass competency exams provided by the Commission unless they are licensed in other jurisdictions. Fighters must also pass medical examinations that determine whether their health or safety may be compromised by licensure and participation in an event.

The Commission has three Committees in statute and has established sport- and issue-specific Subcommittees at its discretion over the past two years. The Advisory Committee on Medical and Safety Standards, established in statute, consists of six licensed physicians and surgeons appointed by the Commission who meet for the purpose of studying and recommending standards for contests

- 3) Retired fighters. The Commission administers a Boxers' Pension Plan, which was originally established in 1982 and aimed at providing monetary resources to retired professional boxers. The law specifies that the Boxers' Pension Fund is specifically not a retirement fund.

Commission regulations require a promoter to contribute \$.88 on every ticket, excluding a working complimentary ticket, up to a maximum contribution of \$4,600 per show, to the Boxers' Pension Fund. (Title 4 of the California Code of Regulations (4 CCR) § 402). Regulations further specify that a participating boxer shall become vested in the amount credited to the participating boxer's regular account when they have fought in at least ten scheduled rounds per calendar year during each of four calendar years without an intervening break in service, and have fought in at least 75 scheduled rounds without a break in service.

In 2005, the Bureau of State Audits (BSA) found that the fund was poorly administered and very few boxers have or would receive benefits from the Boxers' Pension Fund. The Auditor noted that from 2001-2004, total benefits paid to boxers were \$36,000, while administrative costs were six times greater. Further, the Auditor also noted that, as of 2003, only 14 percent of licensed boxers were vested and their accounts were very low. On December 31, 2005, only 43 participants were eligible for retirement benefits totaling just \$430,000. BSA recommended reducing vesting requirements and increasing the gate fees used to fund the plan. According to a report issued by BSA in January 2011, these recommendations from 2005 remained unresolved. The Commission responded to BSA's recommendation by stating that it would conduct a study on the impact of reducing vesting requirements and pursue changes in statute or regulation or an increase in gate fees.

During the 2013 sunset review oversight of the Commission, questions were raised as to whether a lump sum payment was a proper benefit to a fighter, or whether there were potentially more appropriate means by which to assist these athletes like providing health insurance benefits, connecting fighters to coverage for medical services, or directing retired boxers to medical coverage options like Covered California so they are able to receive ongoing, consistent medical treatment that is not likely covered by a one-time payment. During the 2019 sunset review oversight of the Commission, it noted that it had increased Pension Plan distributions to qualified retired boxers, despite the obstacles in locating

potential claimants. At the time, there were almost 300 covered boxers and almost \$3.8 million in fund assets, with 11 boxers paid just over \$176,000 in 2018. The Commission advised that establishing a MMA Pension Plan was outlined in its Strategic Plan, but questions were raised at the time about how a MMA Pension Plan would be structured, given its specificity for boxers, as well as the general challenges associated with underfunded pensions.

At its March 2023 meeting, it was reported that the Commission had deposited \$65,597.14 to the Boxers' Pension Fund in the current fiscal year and that the Fund has approximately \$4.658 million as of the beginning of 2023.

In 2023, the Commission sponsored AB 1136 (Haney, Chapter 466, Statutes of 2023) to establish a MMA Retirement Benefit Fund. The MMA Fund is financed by any of the following:

- An assessment in the amount of one dollar (\$1) on each ticket sold for a professional MMA contest held in the state. The amount may be raised to up to \$2 through regulations.
- Revenue through the sale of special interest license plates and other commission-branded items, including, but not limited to, sport paraphernalia and souvenirs.
- Contributions by martial artists, managers, promoters, or any one or more of these persons, in an amount sufficient to finance the MMA Fund.

The MMA Fund fighter eligibility and vesting requirements are outlined in the Act, rather than regulations, as the Boxers' Pension Fund administration is outlined.

The Commission has requested a number of changes related to these programs, including changes aimed at increasing revenue for the Boxers' Pension Fund.

- 4) Arguments in support. According to the California Orthopedic Association in support, "Since these sports do have increased risk of head and neurological damage, we think having a designated slot for a neurologist is appropriate and support the legislation."
- 5) Committee amendments. On March 12, 2024, the Commission participated in a Sunset Review Oversight Hearing, where issues and recommendations for the Commission were identified. The following committee amendments include some of the recommendations provided in the background paper, put together by the Senate Committee on Business, Professions, and Economic Development, and the Assembly Committee on Business and Professions, as well as other technical changes.
 - a) Move back the sunset date of the Commission from January 1, 2025 to January 1, 2029.
 - b) Codify an increase of the minimum purse for fighters regulated under the Boxing Act, or State Athletic Commission Act (State Act), administered by the California State Athletic Commission (CSAC or Commission) (BPC 18600-18887) from \$100 to \$200 per round, with the Commission able to raise the minimum purse through regulation.

- c) Increase in statute contributions to the Boxers' Pension Fund from \$0.88 to \$1.00 per ticket, matching how contributions were put in place for the Mixed Martial Arts Retirement Benefit Fund (MMA Fund) by AB 1136 (Haney) in 2023 (BPC 18888.2), and increasing the maximum contribution from \$4,600 to \$10,000.
 - d) Add in statute that in the event that a fighter needs immediate medical care as ordered by the Commission ringside physician, that the onsite ambulance assigned to the event shall transport, without delay, to a trauma hospital.
 - e) BPC 18845 (c) has a typographical error that stating that, "Disobedience **to** a **supoena** may be punished as a contempt by the superior court." The amended section should read, "Disobedience of a subpoena may be punished as a contempt by the superior court."
 - f) Amend the State Act to recognize that treatments for Hepatitis C would allow a fighter to compete safely without risk of transmitting the virus to another fighter. Fighters undergo antigen/antibody tests during licensing. These tests can detect Hepatitis C even if there is minimal to no risk of passing the virus to an opponent. The amendment will allow the Commission to establish, by regulation, a review and approval process for applicants or licensees under this chapter that test positive for hepatitis C pursuant to the required blood tests described in Section 280 of Title 4 of the California Code of Regulations. The commission may consult with the Advisory Committee on Medical and Safety Standards to establish the review and approval process
- 6) Double-referral. Should the bill pass from this committee, it will be re-referred to the Assembly Committee on Business and Professions.
- 7) Prior and related legislation:
- a) AB 1136 (Haney), Chapter 466, Statutes of 2023, required the Commission to establish the Mixed Martial Arts Retirement Benefit Fund (MMA Fund), and to establish a method for financing the MMA Fund, including by a specified assessment on tickets to events under the commission's jurisdiction, by revenue generated through the sale of special interest license plates and other commission-branded items, including, but not limited to, sport paraphernalia and souvenirs, and by contributions from mixed martial artists, managers, promoters, or any one or more of these persons.
 - b) AB 1703 (Carrillo), Chapter 591, Statutes of 2023, increased the cap on the amount of admissions revenue that promoters must report from \$2,000,000 to \$4,000,000, and increased the cap on the admissions revenue fee from \$100,000 to \$200,000.
 - c) SB 1443 (Roth), Chapter 625, Statutes of 2022, extended the sunset date for the Commission from January 1, 2024 to January 1, 2025.
 - d) AB 1523 (Assembly Committee on Business and Professions), Chapter , Statutes of 2019, extended the sunset date for the Commission from January 1, 2020 to January 1, 2024, and authorized the commission to employ a chief athletic inspector and an assistant chief athletic inspector.
 - e) SB 469 (Hill), Chapter 316, Statutes of 2015, extended the sunset date for the Commission from January 1, 2016 to January 1, 2020. The bill also prohibited the

administration or use of any drugs, alcohol, stimulants, or injections in any part of the body or the use of any specified prohibited substances by a professional or amateur boxer or martial arts fighter licensed by the commission. It authorized the commission to conduct testing at any time during the period of licensure to ensure compliance with the prohibition, and made a licensee in violation of the prohibition subject to a fine of up to 40% of the value of the total purse.

REGISTERED SUPPORT / OPPOSITION:

Support

California Orthopedic Association

Opposition

None on file.

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