

# HOUSE BILL No. 5496

March 22, 2016, Introduced by Reps. Lucido, Kesto and Tedder and referred to the Committee on Judiciary.

A bill to amend 2004 PA 403, entitled "Michigan unarmed combat regulatory act," by amending section 33 (MCL 338.3633), as amended by 2015 PA 183.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 33. (1) An application for a promoter's license must be  
2 in writing and shall include the legal name, street address, and  
3 telephone number of the applicant.

4           (2) An applicant for a promoter's license must demonstrate  
5 good moral character. If an applicant for a promoter's license is  
6 denied a license because of a lack of good moral character, the  
7 applicant may petition the commission for a review of the decision  
8 under section 46.

9           (3) Before the department grants an approval for a contest or

1 event, the promoter must submit a bond to the department that meets  
2 all of the following:

3 (a) Is in an amount fixed by the department but not less than  
4 \$20,000.00 or more than \$50,000.00.

5 (b) Is executed by the promoter as principal.

6 (c) Is issued by a corporation that is qualified under the  
7 laws of this state as a surety.

8 (d) Is payable to the state of Michigan.

9 (e) Is purchased at least 5 days before the contest.

10 (f) Is conditioned on the faithful distribution of all money  
11 owed by the promoter as a result of the event.

12 (g) Is for the benefit of any person that is damaged by the  
13 promoter's nonpayment of any liabilities associated with the event.

14 (h) Allows any affected person to bring an action on the bond.

15 (i) Remains in effect until all complaints properly filed with  
16 the department for nonpayment of obligations covered by the bond  
17 are fully adjudicated. A complaint is not properly filed if it is  
18 not filed within 30 business days following the event covered by  
19 the bond.

20 (4) A promoter must apply for and obtain an annual license  
21 from the department in order to present a program of contests or  
22 events regulated under this act. The annual license fee is \$300.00.  
23 The department shall request, and the applicant shall provide, any  
24 information that the department determines is necessary to  
25 ascertain the financial stability of the applicant. Section 61a  
26 applies to any information provided by an applicant under this  
27 subsection.

1           (5) A promoter that conducts an event in this state shall pay  
2 an event fee of \$500.00.

3           (6) To assure the integrity of the sports of boxing and mixed  
4 martial arts, the public interest, and the welfare and safety of  
5 contestants, each promoter that conducts an event in this state  
6 shall pay a regulatory and enforcement fee for that event in an  
7 amount equal to 3% of the total gross receipts from any contracts  
8 for the sale, lease, or other exploitation of broadcasting,  
9 television, and motion picture rights or other media for the event,  
10 or \$25,000.00, whichever is less, if either of the following is  
11 met:

12           (a) The event is located in a venue with a seating capacity of  
13 more than 5,000.

14           (b) The promoter proposes to televise or broadcast the event  
15 over any medium for viewing by spectators who are not present in  
16 the venue.

17           (7) For purposes of subsection (6), at least 10 days before  
18 the event, the promoter shall submit any contract that is subject  
19 to the regulatory and enforcement fee to the department, stating  
20 the amount of the probable total gross receipts from the sale,  
21 lease, or other exploitation of broadcasting, television, motion  
22 picture rights, or other media for the event. However, this  
23 subsection does not apply to a promoter that agrees to pay a  
24 regulatory and enforcement fee under subsection (6) of \$25,000.00,  
25 and the department receives that payment from the promoter at least  
26 3 business days before the event.

27           (8) The department shall deposit the money received from the

1 proceeds of the regulatory and enforcement fee into the fund  
2 created in section 22 and use those proceeds for the purposes  
3 described in that section.

4 (9) Within 1 business day before a contest or event, the  
5 promoter shall deliver to the department a copy of all of the  
6 executed contracts between the promoter and the professionals who  
7 are participating in that contest or event. The copies of the  
8 contracts are exempt from disclosure under the freedom of  
9 information act, 1976 PA 442, MCL 15.231 to 15.246, except that the  
10 department may disclose statistical information on the number,  
11 types, and amounts of contracts if information regarding  
12 identifiable individuals or categories is not revealed.

13 (10) The commission or department may require that a promoter  
14 ensure that a contestant is available for drug testing before or  
15 after a contest to detect the presence of controlled substances,  
16 alcohol, enhancers, stimulants, performance enhancing drugs, or  
17 other drugs or substances prohibited by rules promulgated by the  
18 department, or derivatives or metabolites of controlled substances,  
19 alcohol, enhancers, stimulants, performance enhancing drugs, or  
20 other drugs or substances prohibited by rules promulgated by the  
21 department. A contestant shall submit to a urinalysis or chemical  
22 test before or after a contest if the commission, the department, a  
23 designated representative of the commission or department, or an  
24 inspector described in subsection (11) directs him or her to do so.  
25 If a contestant fails or refuses to submit to a urinalysis or  
26 chemical test under this subsection, or the results of the  
27 urinalysis or chemical test confirm or demonstrate that the

1 contestant has violated this act, he or she is subject to  
2 disciplinary action by the commission under this act. In addition  
3 to any other disciplinary action by the commission, if the  
4 contestant won the contest or the contest was a draw, the  
5 commission may change the result of that contest to a no decision.  
6 The department may promulgate rules to define the terms  
7 "stimulants" or "performance enhancing drugs."

8 (11) A promoter shall not conduct a professional boxing,  
9 professional mixed martial arts, or amateur mixed martial arts  
10 event in this state unless at least 1 inspector is present at the  
11 event. All of the following apply to an inspector:

12 (a) An inspector shall not have any relationship or business  
13 interest with a licensee involved in an event for which he or she  
14 is the inspector.

15 (b) An inspector shall collect and submit all contestant drug  
16 tests as required by the department to ensure the chain of custody  
17 of those tests.

18 (c) An inspector must be an individual who meets any of the  
19 following:

20 (i) Is **LICENSED OR** certified, or was previously **LICENSED OR**  
21 certified, by the commission on law enforcement standards under the  
22 **MICHIGAN** commission on law enforcement standards act, 1965 PA 203,  
23 MCL 28.601 to ~~28.616~~-**28.615**.

24 (ii) Is licensed by the department as a private security guard  
25 or security guard agency.

26 (iii) Is employed by a security guard agency that is licensed  
27 by the department.

1 (d) The department may promulgate rules under the  
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
3 24.328, to establish additional duties of inspectors.

4 (e) An inspector shall receive reasonable compensation, and  
5 reimbursement of his or her actual and necessary travel expenses,  
6 for attending an event.

7 (f) The promoter of an event is responsible for payment of an  
8 inspector for that event under subdivision (e).

9 Enacting section 1. This amendatory act takes effect 90 days  
10 after the date it is enacted into law.

11 Enacting section 2. This amendatory act does not take effect  
12 unless Senate Bill No. 92 or House Bill No. \_\_\_\_\_ (request no.  
13 00913'15 \*) of the 98th Legislature is enacted into law.