

# GOV. MSG. NO. 1077

#### EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE

July 11, 2007

The Honorable Colleen Hanabusa, President and Members of the Senate Twenty-Fourth State Legislature State Capitol, Room 409 Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 1866 HD3 SD2 CD1

On July 10, 2007, House Bill No. 1866, entitled "A Bill for an Act Relating to Mixed Martial Arts" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to establish a new, comprehensive regulatory scheme for professional mixed martial arts contests and participants.

Mixed martial arts contests are growing in popularity throughout Hawaii with eight such events held in 2000 and 29 events held in 2005. Thus the need to regulate these contests is apparent and I have therefore allowed this bill to become law as a matter of public safety in order to best protect those engaged in mixed martial arts activities.

This bill is objectionable because it finances the start-up costs of mixed martial arts regulation from the Compliance Resolution Fund (CRF). General funds should be used to defray the start-up costs of implementing new professional or vocational regulatory programs. By using CRF funds, this bill forces licensees from other professional and vocational licensing programs who pay into the CRF (e.g., certified public accountants, nurses, emergency medical technicians, social workers) to subsidize the start-up costs of another profession.

The manner in which the source of funding in this bill was decided is also troubling. From its introduction in January through the end of April, the language in the first six versions of this bill was consistent in sourcing the appropriations for the start-up costs of the mixed martial arts regulatory scheme from the general fund. Only in Conference Committee was the source of funding switched from general funds to the CRF. While such legislative action is not unprecedented, it is nevertheless unfortunate. The Honorable Colleen Hanabusa, President and Members of the Senate July 11, 2007 Page 2

Additionally, I am troubled that the regulations the Department of Commerce and Consumer Affairs develops to protect the participants of this sport will not be allowed to take effect until July 1, 2009.

For the foregoing reasons, I allowed House Bill No. 1866 to become law as Act 279, effective July 10, 2007, without my signature.

Sincerely,

ļe LINDA LINGLE

HOUSE OF REPRESENTATIVES TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

# ACT 279 H.B. NO. <sup>1866</sup> <sup>H.D. 3</sup> <sub>S.D. 2</sub>

C.D. 1

# A BILL FOR AN ACT

RELATING TO MIXED MARTIAL ARTS.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. The Hawaii Revised Statutes is amended by
2	adding a new chapter to be appropriately designated and to read
3	as follows:
4	"CHAPTER
5	MIXED MARTIAL ARTS CONTESTS
6	<b>§ -1 Definitions.</b> As used in this chapter, unless the
7	context otherwise requires:
8	"Amateur mixed martial arts contest" means a mixed martial
9	arts contest in which no money, prize, purse, or other form of
10	compensation is offered or given to contestants.
11	"Department" means the department of commerce and consumer
12	affairs.
13	"Director" means the director of commerce and consumer
14	affairs.
15	"Manager" means any person who:
16	(1) Undertakes or has undertaken to represent in any way
17	the interests of any mixed martial arts contestant in
18	procuring, arranging, or conducting any contest in
	HB1866 CD1 HMS 2007-4204

1 which the mixed martial arts contestant is to
2 participate; provided that "manager" shall not include
3 an attorney licensed to practice in this state in the
4 attorney's legal representation of a mixed martial
5 arts contestant; or

H.B. NO.

6 (2) Directs or controls the mixed martial arts activities
7 of the mixed martial arts contestant.

8 "Mixed martial arts" means unarmed combat involving the
9 use, subject to any applicable limits set forth in this chapter
10 and any rules adopted to implement these limits, of a
11 combination of techniques from different disciplines of martial
12 arts, including grappling, kicking, and striking.

13 "Mixed martial arts contest" or "contest" means a contest
14 or exhibition in a mixed martial arts event in which a mixed
15 martial arts contestant competes with another mixed martial arts
16 contestant, using mixed martial arts, and in which any
17 contestant in the mixed martial arts event receives any money,
18 prize, purse, or other forms of compensation; provided that the
19 term does not include an amateur mixed martial arts contest.

20 "Mixed martial arts contestant" or "contestant" means a 21 person who is trained in mixed martial arts and competes in a 22 mixed martial arts contest.

HB1866 CD1 HMS 2007-4204

1

2

3

"Mixed martial arts event" or "event" means one or more mixed martial arts contests held at the same location on the same date.

H.B. NO.

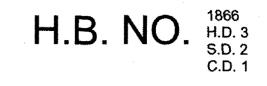
4 "No rules combat, extreme fighting, or similar contest" 5 means a contest or exhibition performed in this state in which the contestants are permitted to use, with few or no rules or 6 7 restrictions, a combination of combative contact techniques, 8 including punches, kicks, chokes, joint locks, and other 9 maneuvers, with or without the use of weapons, that place 10 contestants at an unreasonably high risk of bodily injury or 11 death whether or not for any money, prize, reward, purse, or other compensation, or promise thereof; provided that the term 12 13 does not include a contest involving the exclusive use of 14 boxing, wrestling, kickboxing, martial arts, or mixed martial 15 arts.

16 "Promoter" means an individual, corporation, joint venture, 17 partnership, limited liability corporation, limited liability 18 partnership, or any other type of business entity that promotes, 19 conducts, holds, or gives a mixed martial arts contest.

20 § -2 Assistants. The director may appoint and remove
21 assistants to assist the director in carrying out the director's
22 activities, duties, and other obligations under this chapter.

HB1866 CD1 HMS 2007-4204

' Page 4



1	§ -3 Authority to subpoena witnesses and administer
2	oaths and penalties. The director may issue subpoenas for the
3	attendance of witnesses, with the same effect as if the
4	subpoenas were issued in an action in the circuit court, and may
5	administer oaths in all matters connected with the
6	administration of this chapter. Disobedience of a subpoena and
7	false swearing before the director shall be attended by the same
8	consequences and be subject to the same penalties as if
9	disobedience or false swearing occurred in an action in the
10	circuit court.
11	<b>§ -4 Powers and duties of the director.</b> (a) In
12	addition to any other powers and duties authorized by law, the
13	director shall have the following powers and duties:
14	(1) To adopt, amend, or repeal rules and forms necessary
15	to effectuate this chapter. All rules shall be
16	adopted pursuant to chapter 91 and shall have the
17	force and effect of law. The rules may include, but
18	not be limited to the following:
19	(A) An appropriate method of ensuring that all

20 financial obligations are met by a promoter who 21 conducts, holds, or gives a mixed martial arts 22 contest;

1	(B)	A public record accounting for the distribution
2		of all tickets provided to the director by a
3		promoter and anything else of value that is
4	·	provided to the director;
5	(C)	Clinics or seminars on health and safety for
6		licensees deemed necessary by the director;
7	(D)	Criteria for a mandatory neurological and eye
8		examination of any mixed martial arts contestant;
9	(E)	Criteria for and duration of an automatic medical
10		suspension from mixed martial arts contests;
11	(F)	Procedures to evaluate the professional records
12		and physician's certification of each mixed
13		martial arts contestant participating in a mixed
14		martial arts contest in the state and to deny
15		authorization to a mixed martial arts contestant
16		to fight when the requirements of this chapter
17		are not met;
18	(G)	Procedures to ensure that no mixed martial arts
19		contestant is permitted to compete while under
20		suspension from any entity that regulates mixed
21		martial arts due to:



1	ана стана стана Стана стана стан	i) A recent knockout or series of consecutive
2		losses;
3	(i	i) An injury, any required medical procedure,
4		or a physician's denial of certification to
5		compete;
6	(ii	i) Failure of any drug test; or
7	(i)	v) The use of false aliases or falsifying or
8		attempting to falsify official
9		identification cards or documents relating
10		to mixed martial arts contests;
11	(H) P:	rocedures to review a suspension if appealed by
12	a	mixed martial arts contestant, including an
13	oj	pportunity for the contestant to present
14	C	ontradictory evidence;
15	(I) P:	rocedures to revoke a suspension if a mixed
16	ma	artial arts contestant furnishes proof of
17	S	ufficiently improved medical or physical
18	C	ondition or furnishes proof that the suspension
19	W	as not, or is no longer, warranted by the facts;
20	a	nd

1866 H.D. 3 S.D. 2 C.D. 1

H.B. NO.

#### 1 (J) Procedures to require updated medical and 2 criminal background checks prior to a contest and 3 at license renewal; 4 (2)To enforce this chapter and the rules adopted pursuant 5 thereto; To discipline a person or entity who violates this (3)6 7 chapter or the rules adopted pursuant thereto; and To appoint an advisory committee to assist with the 8 (4) 9 implementation of this chapter and the rules adopted 10 pursuant thereto.

H.B. NO.

H.D. 3

(b) The director may either establish a mixed martial arts registry or data bank on mixed martial arts contestants or use an established registry or data bank that is approved by the director, and issue license cards to mixed martial arts contestants.

16 § -5 Jurisdiction of director. (a) The director is
17 vested with the sole jurisdiction, direction, management, and
18 control over all mixed martial arts contests to be conducted,
19 held, or given within the state; provided that this excludes
20 amateur mixed martial arts contests. No mixed martial arts
21 contest shall be conducted, held, or given within the state

HB1866 CD1 HMS 2007-4204

1

2

except in accordance with this chapter and the rules adopted by the director pursuant thereto.

H.B. NO.

3 (b) No mixed martial arts event shall take place unless
4 the director has granted a permit for the proposed event. In
5 addition, the director shall not allow any mixed martial arts
6 contest unless:

7 (1) The contest consists of not more than five rounds of a
8 duration of not more than five minutes each with an
9 interval of at least one minute between each round and
10 the succeeding round;

Each contestant is at least eighteen years of age, is 11 (2)12 not disqualified from competing in a similar mixed martial arts contest in another jurisdiction at the 13 time of the contest, and does not use stimulants or 14 banned substances before or during the contest; 15 Each mixed martial arts contestant is examined one (3) 16 hour prior to the contest by at least one physician 17 licensed under chapter 453 or 460 who shall certify in 18 writing to the referee of the contest that the 19 contestant is physically fit to engage therein; 20 Each contestant furnishes to the director: (4) 21

1		(A) A medical report of a medical examination
2		completed not less than six months before the
3		contest, at the sole expense of the promoter,
4		including the results of HIV and hepatitis
5		testing; and
6		(B) Previous fight records that establish the
7		contestant's fitness to compete in the contest;
8	(5)	The contest is under the control of a licensed referee
9		in the ring who has at least one year of experience in
10		refereeing a match or exhibition involving mixed
11		martial arts and who has passed a physical examination
12		by a physician licensed under chapter 453 or 460,
13		including an eye examination, within two years prior
14		to the contest;
15	(6)	The promoter has complied with sections -6 and
16		-7; and
17	(7)	All licensees have complied with the requirements of
18		this chapter and rules adopted in accordance with
19		chapter 91, including any rules or requirements that
20		protect the safety of the contestants to the extent
21		feasible.

1 -6 Licenses; promoters. (a) A promoter may apply to S 2 the director for a license that shall be required to promote, 3 conduct, hold, or give mixed martial arts contests. The 4 application shall be in writing, on a form prescribed by the 5 director, and signed by the applicant, and shall include the 6 following: 7 (1) Evidence of financial integrity in accordance with rules adopted by the director pursuant to chapter 91; 8 9 and 10 (2)Proof that the applicant has currently satisfied all 11 of the applicable requirements of the department's business registration division. 12 The application shall contain a recital of the facts 13 (b) 14 as may be specified by the director for the director to 15 determine whether or not the applicant possesses the necessary

H.B. NO.

10

16 physical, mental, moral, and financial qualifications to entitle 17 the applicant to a license.

(c) The director shall not issue any license to conduct,
hold, or give mixed martial arts contests unless the director is
satisfied that the applicant has complied with the conditions of
this chapter, possesses the necessary qualifications for a
license, and is the real party in interest, and intends to

٠

#### H.B. NO. <sup>1866</sup> H.D. 3 S.D. 2 C.D. 1

21

1	conduct, hold, or give the mixed martial arts contest itself.		
2	The director shall not issue a promoter's license to an		
3	applicant if the applicant or any of the applicant's officers,		
4	directors, partners, members, or associates has been convicted		
5	of any crime related to gambling or a crime that is directly		
6	related to the person's performance in the sport of mixed		
7	martial arts.		
8	(d) A license may be revoked at any time if the director		
9	finds after a hearing that:		
10	(1) The licensee is not the real party in interest or has		
11	not complied with this chapter or the rules of the		
12	director; or		
13	(2) The licensee or any of the licensee's officers,		
14	directors, partners, members, or associates have been		
15	convicted of any crime related to gambling or a crime		
16	that is directly related to the person's performance		
17	in the sport of mixed martial arts.		
18	(e) Every license shall be subject to this chapter and the		
19	rules of the director.		
20	(f) The application for a license to promote mixed martial		
21	arts contests shall be accompanied by a fee as provided in rules		
22	adopted by the director pursuant to chapter 91.		

H.B. NO. <sup>1866</sup> <sup>H.D. 3</sup> <sup>S.D. 2</sup> <sup>C.D. 1</sup>

22

§ -7 Permit required to hold each mixed martial arts
 event. (a) No mixed martial arts event shall be held unless
 the director issues a permit for the event. To obtain a permit
 to conduct, hold, or give a mixed martial arts event, a promoter
 shall:

6 (1) Provide proof of medical insurance for mixed martial 7 arts contestants in accordance with rules adopted by 8 the director. All promoters shall be responsible for 9 paying the medical insurance policy premiums and any 10 deductible or copay amount of the medical insurance 11 policy;

12 (2) Submit all contracts with managers, mixed martial arts
13 contestants, and venues, including any agreement of
14 pre-contest training funds advanced to any contestant
15 either by the promoter or manager or any party of
16 interest, to the director for the director's review
17 and approval;

18 (3) Submit to the director, for the director's review and
19 approval, all ring records of all mixed martial arts
20 contestants scheduled to participate in the event;

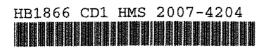
21 (4) Provide cashier's or certified checks made payable to
22 each mixed martial arts contestant for the amount due



Page 13

## H.B. NO. 1866 H.D. 3 S.D. 2 C.D. 1

1 the contestant or the contestant's manager, as the 2 case may be, in accordance with the contracts approved by the director; 3 Provide to the director written confirmation that an 4 (5)ambulance with paramedics and appropriate security 5 have been obtained and will be present at all times at 6 the venue of the mixed martial arts event; 7 Provide evidence to the director that security 8 (6) 9 personnel and resources will be present in sufficient number and force to exercise crowd control and to 10 protect spectators at the mixed martial arts event; 11 (7) Provide to the director evidence that the mixed 12 13 martial arts event will be conducted in compliance 14 with municipal fire codes; and (8) Maintain sanitary conditions at the site of the mixed 15 martial arts event. 16 17 (b) Failure, refusal, or neglect of any licensed promoter 18 to comply with this section shall result in the automatic denial of a permit to hold the mixed martial arts event. 19 20 (c) Licensed promoters may engage in promotions with other 21 licensed promoters as long as each promoter holds a valid,



23

unexpired license and has received the written approval of the 1 director prior to the promotion. 2 In addition to the payment of other fees and moneys 3 (d) 4 due under this chapter, a licensed promoter shall pay: A license fee of three per cent of the first \$50,000 5 (1)of the total gross receipts from admission fees to an 6 event, exclusive of federal, state, and local taxes; 7 A license fee of two per cent of the total gross 8 (2)receipts over \$50,000 from admission fees to an event, 9 exclusive of federal, state, and local taxes; 10 Two per cent of the gross sales price for the sale, 11 (3) lease, or other exploitation of broadcasting, 12 13 television, Internet, and motion picture rights for an event, without any deductions for commission, 14 brokerage fee, distribution fees, advertising, 15 contestants' purses, or any other expenses or charges, 16 including federal, state, or local taxes; and 17 Two per cent of the gross receipts from subscription 18 (4) or admission fees, exclusive of federal, state, and 19 local taxes, charged for viewing within the state of a 20 21 simultaneous telecast of an event;

HB1866 CD1 HMS 2007-4204

14

H.B. NO. <sup>1866</sup> H.D. 3

1 provided that payments under this subsection shall be deposited 2 into a separate account in the compliance resolution fund and 3 shall be used to cover the costs of administering this chapter. 4 (e) Within seven calendar days following a mixed martial 5 arts contest, the promoter shall provide the director with an 6 unedited video record of the contest in a format prescribed by 7 the director.

8 (f) No mixed martial arts event shall be commenced without9 a permit from the director pursuant to this section.

10 S -8 Licenses, participants. (a) Any person may apply 11 to the director for a license to act as a physician, referee, judge, manager, second, or mixed martial arts contestant to 12 13 participate, either directly or indirectly, in any mixed martial arts contest. The application shall be in writing, on a form 14 prescribed by the director, and signed by the applicant. 15 The application shall contain a recital of facts as specified by the 16 director for the director to determine whether or not the 17 18 applicant possesses the necessary licensure and physical, mental, and moral qualifications to entitle the applicant to a 19 license. The director shall adopt rules for licensure in 20 accordance with chapter 91. 21

# HB1866 CD1 HMS 2007-4204

15

16

1 In addition, the applicant for a referee, judge, (b)2 manager, or second license shall take and pass an examination or 3 evaluation as provided by the director. The director may exempt 4 an applicant for a manager, referee, judge, or second license from taking the examination or evaluation, if the applicant 5 holds a valid manager, referee, judge, or second license in 6 7 another jurisdiction with comparable mixed martial arts 8 regulations.

9 (c) Any license to act as a physician, referee, judge,
10 manager, second, or mixed martial arts contestant may be
11 suspended or revoked, or the person otherwise disciplined by the
12 director after a contested case hearing held in accordance with
13 chapter 91.

14 (d) No license shall be granted to a promoter unless the 15 promoter has submitted a criminal abstract on the promoter to 16 the director.

17 § -9 License fees. License fees shall be paid
18 biennially to the State by every applicant to whom a license is
19 issued to participate in the conduct of mixed martial arts in
20 any of the following capacities set forth in this chapter:
21 promoter, physician, referee, judge, manager, second, and mixed
22 martial arts contestant. The charge for a duplicate license and



all fees required by this chapter shall be as provided in rules
 adopted by the director pursuant to chapter 91 and shall be
 deposited with the director to the credit of the compliance
 resolution fund.

1866 H.D. 3

17

H.B. NO.

-10 Licenses, limitations, renewals. (a) 5 S No mixed martial arts contest shall be conducted, held, or given unless 6 7 all the parties participating, as designated in this chapter, 8 are licensed by the director, and it shall be unlawful for any individual or promoter to participate in a contest in any 9 capacity designated in this chapter unless the person is 10 11 licensed to do so.

12 (b) The director may limit the number of licenses issued 13 for any purpose as specified in this chapter and may limit the 14 number of mixed martial arts contests conducted, held, or given 15 in any county.

16 (c) All licenses shall be for a period of not more than 17 two years and all licenses shall expire on June 30 of each 18 odd-numbered year.

(d) The director, at the director's discretion and upon
application and payment of fees by the licensee, may renew a
license for the following biennium. Failure to timely apply for
renewal of any license shall result in the automatic forfeiture

of the license. Any applicant whose license has been forfeited
 shall file an application for a new license and meet all current
 requirements, including successful passage of the examination,
 as the case may be, for the license.

H.B. NO.

18

5 (e) Every individual or promoter licensed under this6 chapter shall be subject to the rules adopted by the director.

-11 Receipts and reports from promoters. (a) 7 Within S three business days after the conclusion of every contest for 8 9 which admission fees are charged and received, every promoter holding a license to conduct, hold, or give mixed martial arts 10 11 contests, shall furnish to the director a written report, duly 12 verified, showing the number of tickets sold for the contest, 13 the amount of the gross receipts or proceeds thereof, and other 14 matters as the director prescribes in rules adopted in 15 accordance with chapter 91.

16 (b) For purposes of this chapter, "gross receipts"
17 includes income received from the sale of print, internet,
18 broadcasting, television, and motion picture rights.

HB1866 CD1 HMS 2007-4204

19 § -12 Failure to report receipts. Whenever any promoter
20 holding a license to conduct, hold, or give mixed martial arts
21 contests fails to timely submit a report of any contest or
22 comply with the requirements of this chapter, or whenever the

' Page 19

report is unsatisfactory to the director, the director at the
 licensee's expense, may examine or cause to be examined, the
 books and records of the promoter.

1866 H.D. 3

19

H.B. NO.

§ -13 Admission tickets. All tickets of admission to
any mixed martial arts contest for which admission fees are
charged and received shall have printed clearly upon the face
thereof the purchase price of same, and no ticket shall be sold
for more than the price as printed thereon.

9 § -14 Inspectors; duties. The director shall appoint
10 inspectors, each of whom shall receive from the director a card
11 or badge authorizing the person to act as inspector whenever the
12 director may designate the person to so act.

13 § -15 Judges; duties. The director, in the director's
14 discretion may appoint two licensed judges to act with the
15 referee in rendering a decision, or three licensed judges to act
16 with a nonvoting referee in rendering a decision.

17 § -16 Physician; duties. Every promoter holding a
18 license to conduct, hold, or give mixed martial arts contests
19 shall have in attendance at every contest at least two
20 physicians licensed to practice medicine in the state under
21 chapter 453 or 460, who shall observe the physical condition of
22 the mixed martial arts contestants and advise the referee with



H.B. NO. 5.D. 2 C.D. 1

20

regard thereto and, one hour before each contestant enters the 1 ring, certify in writing as to the physical condition of the 2 contestant to engage in the contest. A report of the medical 3 examination shall be filed with the director not later than 4 forty-eight hours after the conclusion of the contest. If a 5 contestant is knocked down or severely injured during a contest, 6 7 or for any other reasons as provided in rules adopted by the director pursuant to chapter 91, at least one physician shall 8 immediately examine the contestant and file a written medical 9 10 opinion with the director within forty-eight hours of the 11 contest.

12 § -17 Referees; duties. (a) At each mixed martial arts 13 contest there shall be in attendance a duly licensed referee 14 designated by the director, who shall direct and control the 15 contest. The referee shall render a decision for each contest, 16 except as otherwise provided under this section.

(b) The referee may recommend and the director, in the director's discretion, may terminate the mixed martial arts contest or order the forfeiture of any prize, purse, or remuneration, or any part thereof, to which one or both of the mixed martial arts contestants may be entitled, or any part of the gate receipts for which the contestants are competing, if in

Page 21

1

2

the director's judgment one or both of the contestants are not honestly competing.

H.B. NO.

32

3 (c) Each referee shall warn contestants of the referee's
4 power to terminate the contest or to recommend the forfeiture of
5 any purse or purses, should there be any violation of contest
6 rules.

In any case where the referee decides that the 7 (d)contestants are not honestly competing and that under the law 8 9 the contest should be terminated or that the prize, purse, or remuneration of one or both of the contestants should be 10 11 forfeited, the contest shall be stopped before the end of the 12 last round, and no decision shall be given. A contestant earns 13 nothing and shall not be paid for a contest in which there is 14 stalling, faking, dishonesty, or collusion. The director, independently of the referee or the referee's decision, may 15 16 determine the merits of any contest and take whatever action the 17 director considers proper. In any case, the director may order the purse of the contestant violating any rules or statutes held 18 up for investigation and action. 19

(e) The referee shall stop the contest when, in the
referee's judgment, either of the contestants shows a marked
superiority or is apparently outclassed.

33

S -18 Drug test; withholding of wages; penalty. (a) On
 the advice of one or both of the physicians in attendance at
 every contest, a post-contest drug test may be administered to
 any contestant, at the sole expense of the promoter, to
 determine whether the contestant has consumed any illegal drugs
 or drugs banned by the director.

7 (b) Any money, prize, purse, or other form of compensation 8 due to a contestant shall be withheld by the director until the 9 director, in consultation with the two attending physicians, is 10 satisfied that the contestant did not have the presence of any 11 illegal or banned drugs in the contestant's system.

12 (c) Any contestant who fails a drug test shall have the 13 contestant's license suspended by the director for not less than 14 twelve months from the date of the offense and, in the 15 discretion of the director, may have the contestant's license 16 permanently revoked.

17 § -19 Sham mixed martial arts contest; forfeiture of
18 license. Any promoter who conducts, holds, gives, or
19 participates in any sham or fake mixed martial arts contest,
20 knowing the same to be a sham or fake, shall forfeit the license
21 issued in accordance with this chapter, and the license shall be
22 automatically terminated by the director. The promoter and any

HB1866 CD1 HMS 2007-4204

officers, partners, or members of the promoter shall not
 thereafter be entitled to receive and shall not be given another
 license.

1866

23

H.B. NO.

-20 Sham mixed martial arts contest; penalty against 4 S The license of any mixed martial arts contestant 5 contestant. who knowingly participates in any sham or false mixed martial 6 7 arts contest shall be automatically suspended and the mixed 8 martial arts contestant shall be suspended from further participation in any contest held or given under this chapter 9 10 for not less than twelve months from the date of the offense and 11 may be permanently disqualified from further participation in 12 any contest held or given under this chapter.

-21 Financial interest in mixed martial arts 13 S 14 contestant prohibited. (a) The director shall not receive any 15 compensation from any person who sanctions, arranges, promotes, conducts, holds, or gives mixed martial arts contests; nor shall 16 17 the director have, either directly or indirectly, any financial 18 interest in any contestant competing in any mixed martial arts 19 contest.

(b) For the purposes of this section, "compensation" shall
not include funds held in escrow for payment to another person
in connection with a mixed martial arts contest. The

prohibition set forth in this section shall not apply to any
 contract entered into, or any reasonable compensation received,
 by the director to supervise a mixed martial arts contest in
 this state or another state.

1866 H.D. 3

24

H.B. NO.

5 § -22 Wages of contestant; prepayment prohibited. All 6 moneys paid to a mixed martial arts contestant for services, as 7 money prize, reward, compensation, or otherwise, shall be 8 considered wages. No contestant shall be paid for services 9 before a mixed martial arts contest; provided that with the 10 approval of the director, a promoter may advance sums of money 11 for training purposes.

12 -23 No rules combat, extreme fighting, or similar S contest; prohibited. No person shall promote, conduct, hold, 13 14 give, or participate in any no rules combat, extreme fighting, 15 or similar contests. The director shall enforce the prohibition 16 on no rules combat, extreme fighting, or similar contests, and 17 may adopt rules, pursuant to chapter 91, to enforce the 18 prohibition. In addition to any applicable judicial remedy, a 19 person who violates this section shall be subject to the 20 penalties, fines, and other disciplinary provisions of this 21 chapter.

HB1866 CD1 HMS 2007-4204 

25

S -24 Disposition of receipts. Except as otherwise
 provided for in this chapter, all fees and other moneys received
 by the director shall be deposited into the compliance
 resolution fund.

Summary disciplinary action. In addition to other 5 S -25 disciplinary actions provided in this chapter, the director may 6 fine, withhold purse money or fees, and issue immediate 7 8 temporary suspensions of not more than sixty calendar days against a licensee for violations of this chapter or rules 9 adopted pursuant thereto. The director shall notify the 10 11 licensee in writing of any temporary suspension, fine, or withholding of purse money within five calendar days of the 12 13 director's action. The licensee shall have a right to a hearing in accordance with chapter 91; provided that the licensee 14 15 notifies the director in writing of the request for a hearing 16 within thirty calendar days after the director notifies the licensee in writing, by mail or personal service, of the 17 18 director's order.

19 § -26 Chapter does not apply to active duty armed
20 forces, national guard, armed forces reserve, or Police
21 Activities League. This chapter shall not apply to any mixed
22 martial arts contest held as a recreational activity by active
HB1866 CD1 HMS 2007-4204

1

2

3

4

5

6

7

8

9

10

11

12

duty armed forces, armed forces reserve, or national guard personnel, or the Police Activities League, when the contest is held under the supervision of a recreational officer of the active duty armed forces, armed forces reserve, national guard, or a Police Activities League staff member. **§ -27 Revocation; suspension.** (a) In addition to any other acts or conditions provided by law, the director may refuse to renew, reinstate, or restore or may deny, revoke, suspend, fine, reprimand, or condition in any manner, the license of any person or entity issued for this chapter, for any cause authorized by law, including but not limited to the following:

H.B. NO.

26

- 13 (1) Violation of any provision of this chapter or the
  14 rules adopted by the director, or any other law or
  15 rule that applies to those persons licensed under this
  16 chapter;
- 17 (2) Manifest incapacity, professional misconduct, or18 unethical conduct;
- 19 (3) Making any false representations or promises through
  20 advertising or other dissemination of information;
- 21 (4) Any fraudulent, dishonest, or deceitful act in
  22 connection with the licensing of any promoter under



1

2

this chapter or in connection with any mixed martial arts contest;

1866 H.D. 3

27

H.B. NO.

- 3 (5) Making any false or misleading statement in any
  4 application or document submitted or required to be
  5 filed under this chapter;
- (6) Revocation or suspension of a license or other 6 7 disciplinary action against the licensee by any other 8 regulatory entity over mixed martial arts contests; 9 (7)Failure to report any disciplinary action, including medical and mandatory suspensions, or revocation or 10 11 suspension of a license in another jurisdiction not less than fifteen calendar days preceding any mixed 12 martial arts match in which the licensee participates 13 or within thirty calendar days following the 14 15 disciplinary decision, whichever is earlier; or 16 (8) Participation in any sham or false mixed martial arts

17

contest.

(b) A manager may be held responsible for all violations
of this chapter by a mixed martial arts contestant whom the
manager manages and may be subject to license revocation or
suspension, or a fine, or any combination thereof, irrespective

HB1866 CD1 HMS 2007-4204

Page 28

of whether any disciplinary action is taken against the mixed
 martial arts contestant.

H.B. NO.

3 § -28 Penalties. (a) Any person in violation of this
4 chapter or the rules adopted pursuant thereto shall be fined not
5 more than \$5,000 for each violation. Each day's violation or
6 failure to comply shall be deemed a separate offense.

7 (b) In addition to the penalties provided in this chapter,
8 any person in violation of this chapter may be prohibited from
9 engaging in any mixed martial arts activities in the state for a
10 period in conformity with that set forth in section 92-17.

11 § -29 Cumulative penalties. Unless otherwise expressly
12 provided, the remedies or penalties provided by this chapter are
13 cumulative to each other and to the remedies or penalties
14 available under all other laws of this State.

15 § -30 Injunctive relief. The director may, in addition 16 to any other remedies available, bring an action in any court of 17 this State to enjoin a person from continuing any violation of 18 this chapter or doing any acts in furtherance thereof, and for 19 any other relief that the court deems appropriate."

20 SECTION 2. Chapter 440D, Hawaii Revised Statutes, is
21 repealed.

HB1866 CD1 HMS 2007-4204

Page 29

39

SECTION 3. There is appropriated out of the compliance resolution fund the sum of \$130,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$205,000 or so much thereof as may be necessary for fiscal year 2008-2009 to fund the operational and administrative expenses in implementing this Act and regulating mixed martial arts contests.

7 The sums appropriated shall be expended by the department 8 of commerce and consumer affairs for the purposes of this Act, 9 which shall include the hiring of a regulatory boards and 10 commissions administrative assistant, secretary, and clerks.

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 5. This Act shall take effect on July 1, 2009;provided that:

16 (1) Section -4 in section 1 of this Act shall take
17 effect upon its approval; and

18 (2) Section 3 of this Act shall take effect on July 1,19 2007.