

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

AI**SIVI** AIWAI

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I JAME KUNANE TOKIOKA DIRECTOR

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#### Statement of JAMES KUNANE TOKIOKA

Director

Department of Business, Economic Development, and Tourism before the

#### **HOUSE COMMITTEE ON FINANCE**

Wednesday, March 27, 2024 3:30 PM State Capitol, Conference Room 308

In consideration of SB 2170, SD1, HD1 RELATING TO COMBAT SPORTS.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB 2170, SD1, HD1, which establishes a new regulatory framework for combat sports contests in Hawai'i by establishing the Combat Sports Commission of Hawai'i separate from the Boxing Commission of Hawai'i and repeals existing law governing mixed martial arts contents in Hawai'i.

DBEDT is in agreement that a commission specializing in combat sports would allow for oversight and the growth of mixed martial arts in the state of Hawai'i, which has produced many champions in various disciplines of combat sports including Angela Lee and Max Holloway, just to name two very popular champions. This measure will allow for the continued growth of the combat sports industry and to attract events to the state of Hawai'i.

Mahalo for the opportunity to support this measure.



JOSH GREEN, M.D. GOVERNOR | KE KIA'ĀINA

**SYLVIA LUKE**LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

# STATE OF HAWAII | KA MOKUʻĀINA 'O HAWAIʻI OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KA 'OIHANA PILI KĀLEPA

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#### **Testimony of the Department of Commerce and Consumer Affairs**

Before the
House Committee on Finance
Wednesday, March 27, 2024
3:30 p.m.
Conference Room 308 and Videoconference

On the following measure: S.B. 2170, S.D. 1, H.D. 1, RELATING TO COMBAT SPORTS

Chair Yamashita and Members of the Committee:

My name is James Skizewski, and I am the Executive Officer of the Boxing Commission and Mixed Martial Arts Program (Program) of the Department of Commerce and Consumer Affairs (Department). The Department opposes this bill, which establishes a Combat Sports Commission (Commission).

The purpose of this bill is to establish a new regulatory framework for combat sports contests in Hawaii by establishing the Combat Sports Commission of Hawaii and repealing existing law governing mixed martial arts contests in Hawaii.

The Department opposes this measure because the creation of a Commission is unnecessary and less efficient than the current method of regulating combat sports in Hawaii. Currently, Hawaii Revised Statutes (HRS) chapter 440E establishes the Mixed Martial Arts (MMA) Program (Program) under the auspices of the Director of the Department as recommended in the Sunrise Analysis completed by the State Auditor in

2007. (Sunrise Analysis: Mixed Martial Arts, Report No. 07-02, February 2007).

Regulation of mixed martial arts was done in this manner to streamline administration, increase accountability, and ensure efficiency. As a program rather than a commission, any problems or issues could be brought immediately to the Director without having to wait for a scheduled commission meeting that is subject to the Sunshine Law. The ability to act rapidly is important for appropriately regulating an industry which holds frequent events with certain time sensitive deadlines. HRS chapter 440E already includes crucial appropriate safeguards for contestants and prohibits "no rule" combat contests pursuant to HRS section 440E-23.

The requirement starting on page 16, line 5, that the Commission approve all contestants, is impractical as there are often many contestant changes throughout the lead up to, and even in the days immediately prior to an event. Events would potentially have to be canceled due to Sunshine Law¹ requirements that the Commission would be subject to and potentially unable to meet. If the intent of this measure is to ensure expertise is provided in relation to mixed martial arts regulation, the Director is authorized by law to appoint an advisory committee, which could provide expertise without the administrative burden on the industry of a commission.

In contrast, the creation of a commission would significantly increase the cost of the licensing process and consequently, jeopardize events in Hawaii. For example, the proposed requirement that all seconds and participants must be licensed to participate in combat sports events would provide an additional financial barrier for amateurs to participate in combat sports. Most amateur participants and their coaches are not paid to participate in combat sports contest as they participate to gain the experience to become professionals. To require them to adhere to an annual license fee could push a portion of local athletes out of the sport.

electronically posted on an electronic calendar less than six calendar days before the meeting, the meeting shall be canceled as a matter of law and shall not be held. The chairperson or the director shall ensure that a notice canceling the meeting is posted at the place of the meeting.

<sup>&</sup>lt;sup>1</sup> Hawaii Revised Statutes section 92-7, requires, among other things, that: (b) No less than six calendar days prior to the meeting, the board shall post the notice on an electronic calendar on a website maintained by the State or the appropriate county and post a notice in the board's office for public inspection...(c) If the written public notice is

This bill also removes an essential safeguard for fighter safety by no longer requiring an ambulance be present at all contests. The requirement of having an ambulance present has been vital to the Department's commitment to protect participants. Combat sports and injuries are essentially synonymous. Therefore, having an ambulance present is important because it provides onsite physicians with the personnel, supplies and confidence to address injuries that need immediate attention. Injuries including, but not limited to, concussions, severe lacerations, and hematomas have necessitated the use of an ambulance in past events. Across six (6) events, held from 2022-2023, an ambulance was necessary to get a participant expedited health services in four (4) separate instances. Hawaii is not the only state that requires an ambulance at MMA events. Other states that require an ambulance include: (a) Nevada, which requires two (2) ambulances; (b) New York, which requires at least one (1) ambulance; (c) Texas which, requires one (1) ambulance; (d) and Oregon, which requires one (1) ambulance.

The Department also requests clarification regarding the following:

Unlike other boards or commissions, § -2, on page 4, lines 19 and 20, states that, "There is established within the department for administrative purposes only, the combat sports commission of Hawaii." This statement appears to be inconsistent with other boards and commissions statutes and/or administrative rules attached to the Professional and Vocational Licensing Division (Division). Generally, boards and commissions attached to the Division are referred to in Hawaii Revised Statutes section 26-9, and are attached to the Department for administrative purposes. This new § -2 appears to be an attempt at creating a hybrid or different board or commission from all other Division boards and commissions.

Page 11, subsection (5), requires the Department to essentially review records to determine acceptability, collect fees from the promoter, and then refund those fees if it is determined the documents are unacceptable. The Department does not believe that this process needs to be codified in law. As standard practice, the Division may collect certain fees upfront; however, if an application is abandoned or the process is

Testimony of DCCA S.B. 2170, S.D. 1, H.D. 1 Page 4 of 5

not completed, then the Division, with certain exceptions, will refund the license fees minus the application fee.

The bill also proposes a hybrid-funding scheme pursuant to § -34, which begins on page 33. Part (a)(1) calls for everything other than license fees to be placed in the Combat Sports Commission Special Fund and only license fees would go into the Compliance Resolution Fund. This hybrid-funding scheme may not be permissible given the requirements set forth in Hawaii Revised Statutes (HRS) section 26-9(o), which states "[t]here is created in the state treasury a special fund to be known as the compliance resolution fund to be expended by the director's designated representatives as provided by this subsection. Notwithstanding any law to the contrary, and as provided by section 241-7, all revenues, fees and fines, collected by the department shall be deposited into the compliance resolution fund..." (Emphasis added).

The Department would also like to note that subsection (b)(1) on page 34, is contrary to current law. Specifically, HRS section 436B-5, provides the conditions of office for each board member. HRS section 436B-5(5) provides that, "[e]ach member of a board shall serve without pay. However, the actual and necessary traveling expenses incurred in connection with the performance of the member's official duties shall be paid by the department, upon the presentation of vouchers approved by the department."

The Department requests clarification on the necessity of a change in the regulation of combat sports. To increase regulation at a time which events are seemingly being held less often will only increase costs for licensees. Additionally, the Department, in good faith, met with stakeholders over the interim to address any concerns related to the need to increase safety, the possibility of further clarifying procedures, and how to reduce costs on licenses. A draft of administrative rules was presented to further clarify regulation in Hawaii and address some of those concerns. No amendments were proposed by the stakeholders.

Based on the aforementioned reasons, the Department respectfully requests this measure be held in Committee. However, if the Committee is inclined to move forward

with the creation of a commission as proposed in this bill, the Department appreciates the Legislature's consideration of much needed FTEs provided in this bill for the Division, and requests \$251,825.00 be appropriated out of the general revenues of the State of Hawaii for fiscal year 2024-2025, to fund three (3) FTEs including an Office Assistant V, Secretary II, and Regulatory Boards and Commissions Administrative Assistant I within the Department for the Combat Sports Commission of Hawaii. The appropriated funds will ensure that the appropriate staff can be recruited to adequately facilitate a Combat Sports Commission as provided in the bill. The Department notes it only supports the funding portion of the bill to the extent that it does not interfere with the Department's priorities as outlined in the Governor's supplemental budget and administrative package. The Department must emphasize the huge undertaking the creation of a commission would require and thus requests at a minimum, a delayed implementation of at least two (2) years to ensure that:

- (a) In line with the request above, the Division would need the appropriate time to establish, recruit, and hire the full-time position employees to facilitate such a commission.
- (b) The appropriate updates are made to the Division's database;
- (c) The Governor has the appropriate time to appoint members to the Commission; and
- (d) There is no disruption in planned events.
  Thank you for the opportunity to testify on this bill.



Martin@nokanet.com
NOKANET Representative

March 27, 2024

Bill SB-2170

### [IN SUPPORT] [ON BEHALF OF NOKANET]

Aloha Chair, Committee Members,

My name is Martin Han, we are here to express our strong support for Bill SB-2170.

We request amending the measure to remove the inclusion of the Boxing Commission within the new commission. This merger overlooks the fundamental differences between boxing and other combat sports, such as MMA, and may not address the unique needs of each discipline.

By maintaining separate commissions, we can ensure the athletes safety and the overall integrity of the combat sports community in Hawaii.

Thank you for considering our perspective and for your attention to this important matter.

Sincerely,

Martin Han

Submitted on: 3/26/2024 6:54:48 AM

Testimony for FIN on 3/27/2024 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jon	Individual	Support	Remotely Via Zoom

#### Comments:

Bill SB2170: Establishment of a Combat Sports Commission for Hawaii

Honorable Representative Yamashita and Esteemed Members of the Committee,

I am writing to formally request you pass Bill SB2170, which endeavors to establish a dedicated combat sports commission for Hawaii.

As the author of this bill, I believe it is imperative to address the unique intricacies of combat sports through a specialized commission. This body would be equipped to tackle the distinct challenges and requirements inherent in these disciplines.

Having devoted considerable effort to crafting this legislation, I respectfully urge your support in facilitating a hearing at your earliest convenience.

Thank you for your attention to this matter and for your ongoing commitment to advancing legislation that serves the best interests of our community.

With warm regards,

Jon Barnard

Submitted on: 3/26/2024 8:53:43 AM

Testimony for FIN on 3/27/2024 3:30:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Falaniko Vitale	Individual	Support	Written Testimony Only

#### Comments:

Dear Honorable Representative Yamashita and Members of the Committee,

Aloha, my name is , Falaniko Vitale and I am in strong support of SB 2170. Given the unique nature of Combat Sports, I strongly recommend amendments to keep Combat Sports and the Boxing Commission separate.

Due to fact that both sports are different nature, in my opinion Combat Sports should require people who has experience, trained and have the understanding in different Martial Arts in General . As a former Professional Mixed Martial Artist of 20 years. I have trained in Brazilian Jujitsu, Boxing, Kick Boxing, and Wrestling. All these Martial Arts required time, labor and sophisticated training to understand the Art it presented.

Let's move forward with this with bill.

Mahalo for your time.

Falaniko Vitale

Representative Kyle Yamashita Chairman, Finance Committee March 27, 2024

#### TESTIMONY IN SUPPORT OF SB 2170

Aloha Chair Kyle Yamashita, Vice Chair Lisa Kitagawa, and members of the Committee,

My name is Walter Carvalho, and I am submitting testimony in strong support of SB 2170, with recommended amendments to keep the boxing commission and combat sport commission separate. With extensive experience in working at major Mixed Martial Arts and Professional Boxing events worldwide, as well as coaching hundreds of kids in Hawaii and other states, I am licensed in over 21 states and several countries. Having collaborated with the largest World Class events, I understand the reasons why they have been reluctant to come to Hawaii. With the establishment of this new commission, I believe we can truly turn things around.

Hawaii urgently needs a legitimate combat sports commission with dedicated funding and qualified officials. It should not be amalgamated with the Boxing commission for several reasons. Firstly, the boxing commission lacks expertise in combat sports and has struggled for over 14 years without significant progress. Establishing this new combat sport commission requires a fresh start with individuals who possess knowledge and understanding of the sport, rather than attempting to learn along the way. While I support the intent of the measure to attract prominent events like the UFC and ONE FC to Hawaii, I propose the following amendments to the commission's structure:

- 1. The Department of Commerce and Consumer Affairs (DCCA) lacks experience in managing a combat sports commission. Therefore, the DCCA should not influence the composition of the commission and its members. All members should have extensive backgrounds in Martial Arts, and there are numerous qualified individuals for these positions.
- 2. Over the past 12 years, the DCCA has failed to effectively operate and facilitate combat sports events. We have witnessed a decline from over 100 shows annually to just 2 last year, with none scheduled for this year. Despite collecting fees, the DCCA has not reinvested in the sport. I urge you to support this new concept and help revitalize the sport in Hawaii.

Thank you in advance for your time and consideration.

Walt Carvalho 808-960-4341

Submitted on: 3/26/2024 2:03:24 PM

Testimony for FIN on 3/27/2024 3:30:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
David Padilla	Individual	Support	In Person

Comments:

TESTIMONY IN SUPPORT OF SB 2170

Aloha Chair Kyle Yamashita, Vice Chair Lisa Kitagawa, and members of the Committee,

My name is David Padilla and I am submitting testimony in support of SB 2170. With that being said, I recommend keeping the boxing commission and combat sport commission separate. I believe an MMA commission can help turn things back around. Boxing is not the same as MMA. It can be considered a combat sport, but still completely different from MMA. The DCCA has been overseeing MMA for the past 12 years now, and MMA has been on a serious decline since. I ask that you help make this change happen. The athletes and state will benefit from the change. Mahalo for your time.

David Padilla

Submitted on: 3/27/2024 9:00:59 AM

Testimony for FIN on 3/27/2024 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Miles Ino	Individual	Oppose	Written Testimony Only

#### Comments:

Aloha, Chair Yamashita and members of the Comittee on Finance.

My name is Miles Ino and I strongly oppose SB2170 SD! HD1 and respectfully request the Committee on Finance to defer it.

Boxing and mixed martial arts are very different sports and consolidating them under one commission will not enhance the safety of participants. The Association of Boxig Commissions and Combative Sports recognizes this as they have published separate unified rules for boxing and mixed martial arts, the later of which is the defacto rules for professional MMA contests.

I respetfully request that the Legislature consider: 1). Keeping HRS 440 (Boxing Contests) and HRS 440E (Mixed Martial Arts Contests) as separate chapters; and 2). Establishing Mixed Martial Arts as a separate board with a 5 member commission.

Mahalo for the opportunity of testify.