

Preliminary Evaluation of the State Athletic Commission

Recommendations:	Waive from Full Evaluation Extend Termination Date by 10 Years to July 1, 2031 Require Preliminary Evaluation by December 15, 2028
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Date Established: 1920

Most Recent Prior Evaluation: Preliminary evaluation in 2008

Waived from full evaluation and extended termination date by 10 years to July 1, 2021 (enacted by Chapter 122 of 2009); required follow-up report by October 1, 2013

Composition: Five members appointed by the Governor with the advice of the Secretary of Labor, Licensing and Regulation.

Staff: One full-time (executive director)

Per diem employees for events and other shared personnel support the commission.

Regulated Entities: Contestants, managers, referees, judges, and other personnel involved in boxing, kickboxing, wrestling, and mixed martial arts competitions

Authorizing Statute: Title 4, Subtitles 2 and 3, Business Regulation Article

Evaluation Completed by: Michelle Davis, Department of Legislative Services, 2018

State Athletic Commission

The State Athletic Commission consists of five members appointed to six-year terms by the Governor with the advice and consent of the Secretary of Labor, Licensing, and Regulation. The commission is located within the Department of Labor, Licensing, and Regulation's (DLLR) Division of Occupational and Professional Licensing. Granted statutory authority by Title 4 of the Business Regulation Article, the commission manages, supervises, and regulates the sports of boxing, kickboxing, wrestling, and mixed martial arts (MMA). Specifically, the commission is responsible for the supervision of all professional and amateur boxing, kickboxing, wrestling, and MMA events in the State, with the exception of specified intercollegiate, interscholastic, and intramural events as well as amateur boxing events under the supervision of a nationally recognized amateur organization.

The commission promulgates and enforces regulations to govern these activities and also licenses all contestants, referees, managers, promoters, seconds (individuals who work the corners in a contest), matchmakers, and participants in such activities. Chapters 607 and 608 of 2008 granted the commission regulatory authority over MMA beginning in October 2008, and since then the commission has licensed 14 MMA contests, including a major national event organized by the Ultimate Fighting Championship (UFC). **Exhibit 1** summarizes the current licensing requirements for the various types of individuals regulated by the commission.

Exhibit 1 Licensing Requirements, by Type of Licensee

<u>Type of Licensee</u>	<u>Requirements</u>
Boxing, Kickboxing, and Mixed Martial Arts Contestant	Be between 18 and 36 years of age, though special permission may be granted to an individual older than 36 based on a review of a contestant's experience and physical fitness Submit medical reports, including neurological and ophthalmological examinations as well as negative test results for the human immunodeficiency virus (HIV), Hepatitis B virus, and Hepatitis C virus, within 30 days of the date of application for initial licensure or license renewal; physical examinations must be submitted within 5 business days of the date of the contest Provide certification to the commission by a manager, trainer, or qualified individual of the applicant's physical competence and skills as a trained boxer, kickboxer, or mixed martial artist Submit current federal photo identification card issued by an affiliate member of the Association of Boxing Commissions (for boxers only)
Wrestler	Be at least 18 years of age Demonstrate proper training in the art of wrestling upon request (for an individual without professional or amateur wrestling experience)

<u>Type of Licensee</u>	<u>Requirements</u>
Judge	<p>Be at least 18 years of age</p> <p>Complete an approved training course</p> <p>Score at least 70% on an examination administered by the commission</p> <p>Successfully complete an annual ophthalmological exam</p>
Referee	<p>Be at least 18 years of age</p> <p>Complete an approved training course</p> <p>Score at least 70% on an examination administered by the commission</p> <p>Successfully complete an annual physical, neurological, and ophthalmological exam</p>
Manager	<p>Provide the commission with a complete list of all Maryland contestants under the applicant's control and assume responsibility for the conduct of those contestants</p>
Matchmaker	<p>Must not (1) be a licensed manager or second; (2) directly or indirectly manage a boxer or kickboxer; or (3) have a financial interest in a boxer or kickboxer</p>
Promoter	<p>Submit an application with a properly certified or notarized financial statement including specified information</p> <p>Secure two surety bonds – expense bond and “boxing and wrestling tax” bond</p> <p>Provide, upon the commission's request, additional evidence to demonstrate that the applicant has the financial ability to pay expenses relating to the contest</p>

Note: Although licensed, there are no specified licensing requirements for seconds; thus, they are not shown above.

Source: *Annotated Code of Maryland*; Code of Maryland Regulations

Legislative Activity Since Last Evaluation

Legislative changes affecting the commission since the 2008 preliminary evaluation are detailed in **Appendix 1**. Chapter 101 of 2013 authorized the commission to directly regulate amateur MMA and kickboxing events, including the licensing of associated contestants and staff. The law requires all boxing, kickboxing, and MMA contestants to submit to a urine or blood test to detect the presence of specified performance-enhancing drugs if (1) there is reasonable cause to believe the contestant has used performance-enhancing drugs; (2) the contestant was randomly selected by lottery; or (3) the contestant has a documented or otherwise verified history of drug use within the five years immediately preceding the date of the contest. Contestants must also submit to a urine *or* blood test for controlled dangerous substances. Previous law required only that a boxer, kick boxer, or MMA contestant submit to a urine test.

Chapter 101 also altered the penalties for drug violations. Accordingly, the commission, subject to specified hearing requirements, may suspend or revoke a boxing, kickboxing, or MMA license if a contestant either refuses to submit to a drug test or submits a urine or blood sample that tests positive for the presence of a controlled dangerous substance, including

performance-enhancing drugs. Prior to Chapter 101, the commission lacked discretion in this regard and was *required* to suspend or revoke a license for failing or refusing a drug test. Additionally, Chapter 101 removed the requirement that the commission order a contestant to forfeit the purse or other compensation from the contest for refusing to submit to a drug test or submitting a positive sample. The commission advises that in some cases, it may be appropriate to require a contestant to forfeit a *portion* of his or her purse as opposed to the entire amount, depending on the circumstances. In both instances, the law gives discretion to the commission to determine the severity of the penalty after considering the nature of the drug infraction.

Commission Has Steady Licensing Activity and Few Complaints

Appendices 2 and 3 provide statistics on the commission's activities between fiscal 2014 and 2018, including the total number of licenses issued and the total number of events held by the commission. Licensing activity has been fairly consistent since fiscal 2015 with the exception of boxing licenses for fiscal 2018 when the number decreased by more than half. The commission advises that the lower number of licenses issued in 2018 reflects a slight decrease in the number of boxing matches and promoters arranging more matches between boxers with existing licensees. Appendix 3 shows the number of boxing events during the same five-year period and, with the exception of a one-time increase in fiscal 2017, confirms consistent boxing event activity since fiscal 2015.

As both appendices indicate, kickboxing has not generated much interest in Maryland. Commission officials advise that interest in the sport fluctuates. **While the absence of any kickboxing events in the past five years seems to indicate a strong trend, since the regulation of kickboxing does not require any State expenditures when events are not being held, this evaluation does not recommend its deregulation.**

Complaints and Enforcement

As **Appendix 4** illustrates, few complaints are lodged regarding the activities governed by the commission. According to the commission, a majority of complaints that it does receive stem from unsanctioned wrestling events. Inspectors frequently monitor social media and receive tips from promoters to learn about these events.

The commission also works with local police and prosecutors to investigate unsanctioned events. The commission's working relationships with individuals in the boxing and wrestling community often lead to information that can be passed on to law enforcement for investigation and any appropriate action. Unregulated events can pose significant danger to the participants and the public, as the regulations enforced by the commission to ensure safety (*e.g.*, ensuring fair fights between participants who have fully met the commission's medical requirements or prohibiting the introduction of blood in wrestling matches) may be disregarded by unsanctioned event sponsors.

When the commission receives a complaint or uncovers a regulatory violation, it adheres to a formal administrative process. For example, if a boxer tests positive for a controlled dangerous substance, the commission immediately notifies BoxRec.com that the boxer's license is suspended indefinitely, pending the outcome of an administrative hearing. The hearing is conducted by the commission itself, thus avoiding the costs associated with a hearing conducted by the Office of Administrative Hearings.

In 2017, the commission conducted two hearings regarding (1) a promoter's failure to pay the boxing and wrestling tax for a professional boxing event held in November 2016 and (2) a contestant's formal protest of his disqualification in a professional boxing contest held in May 2017.

Finances

The commission is budgeted within DLLR's Division of Occupational and Professional Licensing. **Exhibit 2** details the commission's revenues and expenditures for fiscal 2014 through 2019 (estimated). Activities regulated by the commission provide two separate revenue sources. Revenues come from (1) licensing fees and (2) a 10% "boxing and wrestling" tax that is assessed on the gross receipts for boxing, kickboxing, wrestling, and MMA matches as well as pay-per-view events. Licensing fees assessed by the commission are collected on an annual basis; these fees range from \$10 for boxers, kickboxers, MMA contestants, seconds, and wrestlers to \$150 for promoters. According to the Association of Combative Sports Commissions, Maryland's licensing fees are slightly below the national average for licensing fees.

Exhibit 2
Fiscal History of the Activities Regulated by the State Athletic Commission
Fiscal 2014-2019

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Attributable Revenues	\$781,877	\$526,099	\$389,422	\$367,977	\$643,000	\$625,000
License and Fine Revenue	24,853	31,535	21,370	23,595	23,000*	25,000*
Boxing and Wrestling Tax	512,765	459,941	327,894	301,636	573,827*	555,000*
MMA Tax	244,259	34,623	40,158	42,746	46,173	45,000*
Total Attributable Costs	\$242,293	\$242,014	\$228,814	\$261,848	\$240,092	\$239,000
Indirect Costs	25,782	22,172	18,703	15,570	16,088	14,000
Direct Expenditures	216,511	219,842	210,111	246,278	224,004	225,000
Surplus/(Gap)	\$539,584	\$284,085	\$160,608	\$106,129	\$402,908	\$386,000

MMA: mixed martial arts

*Fiscal 2018 and 2019 amounts are estimates.

Note: The tax revenues attributed to MMA matches are shown separately above even though they are collected under the umbrella term "boxing and wrestling tax."

Source: Department of Labor, Licensing, and Regulation

All revenues generated from licensing fees and the 10% tax are paid into the General Fund. Likewise, the commission's appropriation comes from the General Fund. The commission's budget (direct expenditures) includes 1 position (executive director) as well as expenditures for approximately 78 per-diem employees, including event physicians, judges, and inspectors. The commission chairman receives an annual salary of \$6,000, while each of the other four members receives \$4,000 annually, as authorized by statute. DLLR also allocates, for accounting purposes only, indirect costs for services provided by other entities or divisions within DLLR (*e.g.*, information technology costs). These are referenced in Exhibit 2 as indirect costs. Although not charged to the commission, these indirect cost allocations help determine the cost of regulation.

Generally, it is the policy of the General Assembly that the revenues generated by the State's regulatory entities cover their costs. With regard to the State Athletic Commission, revenues from fines and licensing fees are significantly below the costs attributable to the commission. However, there is clearly a logical relationship that exists between the boxing and wrestling tax and the activities of the commission, and when the tax is factored in, the revenues attributable to commission activities exceed attributable costs for all years.

The significantly higher MMA tax revenue in fiscal 2014 reflects the State's first major MMA event held at the Baltimore Arena. Over 12,000 spectators attended this UFC event held on April 26, 2014; the tax revenue collected for the event totaled \$214,386.

Commission Continues to Have a Viable Role in the Regulation of Boxing, Kickboxing, Wrestling, and Mixed Martial Arts

The federal Professional Boxing Safety Act of 1996 provides general oversight of boxing at the federal level, while leaving the specific regulation of the sport to each of the states. One of the commission's primary purposes is to maintain the integrity of the sports under its jurisdiction by preventing mismatches between contestants. This protects the paying public (by assuring that they get fair value for their money) as well as the safety of the contestants. The commission ensures that all regulated events held in Maryland are fair, safe, and ethical for all individuals involved.

Chapters 607 and 608 of 2008 extended the commission's regulatory authority to include professional MMA contests and expanded the boxing and wrestling tax to gross receipts derived from admission charges to MMA events and their telecast. "Mixed martial arts" is defined as a competition in which contestants use interdisciplinary forms of fighting, including striking with the hands, feet, knees, or elbows and grappling by take-downs, throws, submissions, or choke holds. According to UFC, MMA events have drawn up to 12,000 spectators, with events also attracting viewers on cable television. Initially, these general licensing requirements did not apply to exhibition games or amateur MMA contests conducted under the supervision of an amateur kickboxing or MMA organization reviewed and approved by the commission. However, in 2013, Chapter 101 moved sole jurisdiction of amateur MMA events in Maryland to the commission, following the lead of the New Jersey Athletic Control Board.

The commission continues to maintain its commitment to the health and safety of its contestants through regulation. **Exhibit 3** specifies the medical requirements for certain contestants. The ringside physician conducts both a pre-bout and post-bout examination of each boxing, kickboxing, and MMA contestant and completes a detailed report, which becomes part of the contestant's official record.

Exhibit 3

Health and Safety Standards for Boxers, Kickboxers, and MMA Contestants

Preliminary Medical Evaluations and Drug Testing

A boxer, kickboxer, or mixed martial arts contestant must:

- have an ophthalmological evaluation within 30 days of applying for, or renewing, a license;
- have a physical examination within 30 days of applying for, or renewing, a license;
- have a neurological test on an annual basis – the boxer, kickboxer, or MMA contestant must be reexamined if (1) the boxer, kickboxer, or MMA contestant has participated in more than 12 contests; (2) the boxer, kickboxer, or MMA contestant was knocked out or received a technical knockout as a result of neurological injury in two consecutive matches; or (3) the ringside physician recommends such an examination; and
- prove that he or she has tested negative for HIV, the Hepatitis B virus, and the Hepatitis C virus, within 30 days of applying for, or renewing, a license as well as when directed by the commission.

A test for controlled dangerous substances is required before each contest.

Ringside Physicians

The presence of at least two physicians is required at any contest. A ringside physician must:

- conduct a pre-fight examination of the boxer, kickboxer, or mixed martial arts contestant and
- conduct a post-fight examination of the boxer, kickboxer, or mixed martial arts contestant

Mandatory Medical Suspensions

Unless otherwise approved by the commission, a boxer, kickboxer, or mixed martial arts contestant is prohibited from participating in another contest for at least 14 days after a contest of four to eight rounds duration and for at least 28 days after a contest of more than eight rounds duration.

Mandatory minimum medical suspensions are required for lacerations, technical knockouts, knockouts or technical knockouts with loss of consciousness, poorly conditioned fighters, or a physically demanding contest or excessive blows to the head.

A senior physician has the authority to (1) interrupt a match at any time to examine a contestant and (2) terminate a match at any time after determining that serious injury has or is immediately likely to occur to either contestant or when a contestant is bleeding enough to provide a health hazard to spectators and personnel. The senior physician is also given the authority to admit a contestant to a medical facility and require a contestant to submit to a blood test or urinalysis.

Medical Equipment and Facilities Requirements

The presence of specified medical equipment, including an ambulance, is required at ringside.

The location of a contest may not be more than 15 minutes by ambulance from a hospital providing neurosurgical evaluation and treatment facilities, with a neurosurgeon on call. The commission must notify the facility 24 hours before a contest of the time and location of the contest, with a request for a neurosurgeon to be on call.

Additional safety precautions are required for female contestants (*i.e.*, use of breast and abdominal guards, requirement of a pregnancy test at least five days before a contest, *etc.*).

MMA: mixed martial arts

Note: Other requirements apply to wrestlers.

Source: *Annotated Code of Maryland*; Code of Maryland Regulations

In 2016, the commission expanded a ringside physician's authority to disqualify any contestant if the contestant's blood pressure falls outside of acceptable limits as determined by the physician. Previous regulatory language had prescribed specific blood pressure standards for contest disqualification. The commission also expanded the medical reasons for which a physician may *indefinitely* suspend a contestant from competition to include medical conditions such as lacerations or excessive blows to the head, among other things. Prior to the change, a physician could only indefinitely suspend a contestant who received a knockout or technical knockout with loss of consciousness.

The commission's emphasis on the health and safety of contestants is demonstrated by its independence in determining whether changes to rules by sanctioning organizations should apply in Maryland contests. In particular, the commission declined to adopt two rule changes applicable to MMA contests adopted by the Association of Boxing Commissions, which would have (1) required a fighter to place both palms or fists on the ground instead of just one, before being considered grounded and, thus, protected from further combat and (2) removed the foul for heel kicks to the kidneys. According to the commission, Maryland, along with 16 state athletic commissions regulating MMA declined to make these rule changes effective without evidence that the changes would not adversely affect the health and safety of the contestants. The commission noted the potential for increased head and kidney blows as a result of the rule changes. Specifically, the commission's neurosurgeon expressed serious concern that MMA contestants would be at an increased risk of chronic traumatic brain injury, chronic traumatic encephalopathy, concussions, and other major head injuries under the revised rules if adopted in Maryland.

In addition to health and safety standards, the commission has promulgated extensive rules and regulations for both professional and amateur MMA contestants governing equipment use, weight classes, proper attire, specifications for the fighting ring area, the method of judging, and procedures for handling injuries, and illegal techniques.

Conclusion and Recommendations

The commission plays an important role in the regulation of boxing, kickboxing, wrestling and MMA in Maryland, particularly in helping to protect the health and safety of participants in these sports. **Therefore, the Department of Legislative Services recommends that the commission be continued without undergoing further evaluation and that legislation be passed extending the commission's termination date by 10 years to July 1, 2031.** Thus, the commission would again undergo preliminary evaluation in 2028.

Appendix 1.

Major Legislative Changes Since the 2008 Sunset Review

<u>Year</u>	<u>Chapter</u>	<u>Change</u>
2009	122	Extended the commission's termination date under the Maryland Program Evaluation Act to July 1, 2021. Required a follow-up report on the commission's implementation of mixed martial arts regulation (authorized by Chapters 607/608 of 2008).
2013	101	Extended the commission's regulatory authority to (1) include <i>amateur</i> mixed martial arts (MMA) and <i>amateur</i> kick boxing events; (2) license associated contestants and staff; and (3) require professional <i>and</i> amateur contestants to submit to a urine or blood test under specified conditions.

Source: Laws of Maryland

Appendix 2.

Number of Licenses Issued by the State Athletic Commission

	Fiscal 2014-2018				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Boxers	118	72	71	119	34
Kickboxers	0	1	0	0	0
Wrestlers	359	322	298	422	380
Managers	62	36	37	41	38
Matchmakers	3	4	2	7	6
Seconds	333	196	169	257	160
Promoters	13	11	8	15	13
Referees	50	39	36	40	32
Judges	14	4	8	11	7
MMA Contestants	57	35	29	39	37
Total	1,009	720	658	951	707

MMA: mixed martial arts

Source: State Athletic Commission

Appendix 3.

Regulated Athletic Events, Related Medical Exams, and Tests

	Fiscal 2014-2019					
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Regulated Events/Shows Supervised						
Boxing	17	8	5	11	5	7
Wrestling	49	47	45	46	52	50
Kickboxing	0	0	0	0	0	0
Mixed Martial Arts	3	2	2	3	4	5
Other Information						
Medical Examinations/Neurological Tests	1,136	632	400	736	544	620
Investigations*	10	12	28	13	2	5
Administrative Actions**	130	65	41	90	52	60
Drug Tests	284	158	100	184	136	185

Note: Fiscal 2019 numbers are estimates.

*Investigations include reports of an alleged illegal wrestling event.

**Administrative actions include issuing a medical or administrative suspension to licensed contestants such as suspending a boxer or mixed martial arts (MMA) contestant who sustained a medical injury or requiring a boxer or MMA contestant to obtain a new, or replacement, athletic commission-issued identification card.

Source: State Athletic Commission

Appendix 4. Number and Type of Complaints

Fiscal 2014-2018

<u>Type of Complaint</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
License Requirement*	3	3	0	0	0	6
Regulatory Violation**	0	0	2	1	0	3
Unsanctioned Event	1	0	7	4	2	14
Total	4	3	9	5	2	23

*For example, an applicant who does not meet the requirements for licensure either for medical reasons or for performance (skill) reasons.

**A regulatory violation includes any illegal action exhibited by a licensee either in, or outside of, the ring or cage.

Source: State Athletic Commission

Appendix 5.

Written Comments of the State Athletic Commission

The commission reviewed a draft of this preliminary evaluation and provided these written comments. Appropriate factual corrections and clarifications have been made throughout the document; therefore, references in board comments may not reflect the final version of the report.

December 4, 2018

Michael Rubenstein
Principal Policy Analyst
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, MD 21401-1991

Dear Mr. Rubenstein:

The Department of Labor, Licensing and Regulation and the State Athletic Commission have received the draft of the preliminary evaluation conducted by the Department of Legislative Services (DLS) pursuant to the Maryland Program Evaluation Act. We appreciate the time, professionalism and attention that DLS spent reviewing the commission's operations.

We are pleased that the report found that the commission is fulfilling its statutory duties and recommends that the Legislative Policy Committee waive the commission from full evaluation. Further, the department concurs with the accuracy of the factual content included in the report with the following small corrections:

1. In the second paragraph on page two, please change "in a boxing contest)" to "in a contest)". *Seconds also work the corners of kickboxing and MMA.*
2. In Exhibit 1 for Manager, please change "all Maryland boxers" and "conduct of those boxers" to "all Maryland contestants" and "conduct of those contestants". *This clarifies that managers can also manage kickboxers and MMA fighters.*
3. On page five, please change "Fight Fax, Inc." to "BoxRec.com". *The Association of Boxing Commissions voted in August 2018 to change its certifying boxing registry from Fight Fax to BoxRec.*
4. On page seven, change "21 days" to "30 days". *All contestants must have a physical examination performed within the last 30 days before the application is submitted to the commission.*
5. On page seven, the third bullet, change all contestant references to reflect "boxer, kickboxer or MMA contestant". *All three categories require neurological testing under the circumstances. Also change "12 boxing matches" to "12 contests" since all disciplines fall within this protocol.*

It was a pleasure working with Ms. Davis during the sunset preliminary review. She showed exceptional knowledge and professionalism in gathering historic and current information relevant to the commission's review. We appreciate her assistance in our efforts to maintain the best athletic commission in the country.

Sincerely,



Kelly M. Schulz
Secretary

cc: David McGlone, Deputy Secretary
Victoria Wilkins, Commissioner, Occupational and Professional Licensing
John Papavasiliou, Deputy Commissioner, Occupational and Professional Licensing
Patrick Pannella, Executive Director
Arnold Dansicker, Chairman
Victoria Gruber, Executive Director, Department of Legislative Services
Ryan Bishop, Policy Analyst, Department of Legislative Services