

California State Athletic Commission PAYMENT TO CONTESTANTS

INITIAL STATEMENT OF REASONS

HEARING DATE: September 26, 2016

SUBJECT MATTER OF PROPOSED REGULATIONS:

Payment of Contestants

SECTIONS AFFECTED:

Title 4 California Code of Regulations section 232.

INTRODUCTION:

The Commission was established because of the increasing number of boxer injuries/deaths occurring in the ring; and the involvement of unethical persons, management and promoters in the sport. Prior to the Commission, no government agency existed to provide oversight of managers, promoters, event officiating; or to protect the health and ensure the safety of the participants. Today, the Commission oversees the licensing, prohibited substance testing, and event regulation throughout the state with a seven member Commission. This rulemaking package mainly addresses that Athletes are not provided a minimum purse for fighting. This has allowed some promoters to exploit athletes by paying them \$1.00 instead of an industry minimum. This regulation would set a minimum purse amount of one hundred dollars (\$100) per round.

SPECIFIC PURPOSE OF EACH ADOPTION, AMENDMENT, OR REPEAL:

Following is a description of each proposed amendment and the factual basis for the action.

- 1. Amend Section 232: In accordance with section 18640 of the code, the commission shall require promoters to pay a boxer no less than one hundred dollars (\$100.00) per round.**

State law gives the Commission the sole direction, management, control of, and jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, and all forms and combinations of full contact martial arts contests, including mixed martial arts.

FACTUAL BASIS/RATIONALE

Athletes are being exploited by receiving \$1.00 for a purse. Promoters offset this by offering athletes tickets to sell in lieu of cash. The promoter often gets a portion of the ticket sales and the fighter is able to keep a certain amount of the ticket sales. This

allows the promoter to mitigate risk by promoting the bout. While the Commission is not opposed to allowing fighters to sell tickets, the Commission would like to see the fighters receive a minimum purse for their efforts. \$100.00 per scheduled round has long been considered the minimum compensation in the industry.

FISCAL IMPACT ANALYSIS IN GENERAL

The Commission anticipates minimal fiscal impact with this regulation. Most promoters pay the boxers a reasonable purse. This regulation will only have a fiscal impact on promoters who are not paying boxers an accepted minimum purse.

ECONOMIC IMPACT ANALYSIS/ASSESSMENT

The Commission does not expect a significant economic impact to the promoters, as many promoters are already paying athletes well above the proposed minimum.

This regulatory proposal will have the following effects:

- It will not create or eliminate jobs within the State of California because the proposal will not be of sufficient amount to have the effect of creating or eliminating jobs.
- It will not create new business or eliminate existing businesses within the State of California because this proposal will not be of a sufficient amount to have the effect of creating or eliminating business.
- It will not affect the expansion of businesses currently doing business within the State of California because this proposal will not be of a sufficient amount to have the effect of limiting or furthering the expansion of businesses.
- This regulatory proposal does not affect worker safety because this proposal is not relative to worker safety.
- This regulatory proposal does not affect the state's environment because this proposal is not relevant to the state's environment.

BUSINESS IMPACT

The Commission has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

REQUIREMENTS FOR SPECIFIC TECHNOLOGIES OR EQUIPMENT

This regulation does not mandate the use of specific technologies or equipment.

CONSIDERATION OF ALTERNATIVES

No reasonable alternative to the regulation would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation or would be more cost effective to affected private persons and equally effective in implementing the statutory requirement or other provision of law.

Available Alternative: The alternative is to do nothing is to continue to allow boxers to be exploited. The Commission strongly disagrees with this alternative.