

AMENDED IN ASSEMBLY SEPTEMBER 6, 2013

AMENDED IN ASSEMBLY SEPTEMBER 3, 2013

AMENDED IN ASSEMBLY AUGUST 5, 2013

AMENDED IN ASSEMBLY JUNE 14, 2013

AMENDED IN SENATE MAY 8, 2013

AMENDED IN SENATE APRIL 24, 2013

SENATE BILL

No. 309

Introduced by Senator Lieu

(Principal coauthor: Assembly Member Gordon)

(Coauthors: Assembly Members Alejo and Ian Calderon)

February 15, 2013

An act to amend Sections 18602, 18613, 18640.5, ~~18642, 18646, 18642, 18646, 18711, 18824, 18825, and 18882~~ of, to add Sections 18816 and 18820 to, to repeal Sections 18643 and 18817 of, and to repeal and add Sections 18653, 18654, and 18731 of, the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

SB 309, as amended, Lieu. State Athletic Commission.

Under existing law, the State Athletic Commission Act, the State Athletic Commission has jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, and all forms and combinations of forms of full contact martial arts contests and is required to appoint an executive officer. Existing law repeals these provisions on January 1, 2014. A violation of the act is a crime.

This bill would extend the repeal date to January 1, 2016.

Existing law requires the commission, at its regularly scheduled meetings, to invite testimony from boxing stakeholders to identify actions that may lead to greater opportunities for its licensees to participate in major professional championship boxing contests in the state. Existing law requires the commission to annually make recommendations, based on that testimony, to the Governor and the Legislature.

This bill would delete that recommendation requirement.

Existing law authorizes the commission to license professional and amateur boxers, professional and amateur martial arts fighters, and booking agents, managers of professional boxers and professional martial arts fighters, trainers, chief seconds, and seconds of each. Under existing law, only a natural person may be licensed as a boxer and martial arts fighter.

This bill would eliminate that natural person limitation on who may be licensed as a boxer and martial arts fighter.

Under existing law, the commission may authorize a nonprofit boxing, wrestling, or martial arts club or organization, upon approval of its bylaws, to administer the commission's rules for amateur boxing, wrestling, and full contact martial arts contests subject to a specified finding by the commission.

This bill would additionally authorize a sanctioning body to administer its rules. The bill would authorize the commission to rescind an authorization to a nonprofit boxing, wrestling, or martial arts club, organization, or sanctioning body to administer its rules.

Existing law prohibits a professional boxer from sparring for training purposes with any person not licensed as a professional boxer or who does not have a sparring permit. Existing law prohibits a person from conducting or operating a professional boxers' training gymnasium unless he or she has been issued a license by the commission. Under existing law, the failure of a licensed training gymnasium owner or operator, fighter, boxer, trainer, second, or manager to report to the commission an injury or knockout of a licensed boxer or fighter or the holder of a sparring permit is grounds for the suspension of his or her license.

This bill would repeal those provisions. The bill would prohibit a person from training a professional boxer or kickboxer or martial arts athlete unless he or she has been licensed by the commission. The bill would make the application and renewal fee for a licensed professional trainer \$200. The bill would define a "professional trainer" as someone

who is responsible for the day-to-day training of those aforementioned athletes and possesses a minimum of 5 years experience in combative sports. The bill would authorize only licensed professional trainers to make a recommendation to the commission on whether a contestant is prepared for his or her first amateur mixed martial arts bout or to turn professional in boxing, kickboxing, or mixed martial arts. The bill would require a professional trainer to be present in the corner of the contestant unless otherwise authorized by the commission or the executive officer. The bill would make the failure of a licensed professional trainer, fighter, boxer, second, or manager to report to the commission and a database designated by the commission an injury or knockout grounds for the suspension or revocation of his or her license.

Under existing law, the commission requires, as a condition of licensure and as a part of the application process and for renewal of a license, the examination by a licensed physician and surgeon who specializes in neurology and neurosurgery of each applicant for a license as a professional athlete or contestant, in addition to any other medical examinations. Existing law requires the cost of the examinations to be paid from assessments on any one or more of the following: promoters of professional matches, managers, and professional athletes or other contestants licensed under the act. Existing law requires these assessments to be deposited in the State Athletic Commission Neurological Examination Account.

This bill would specify that the administrative costs associated with managing and distributing the State Athletic Commission Neurological Examination Account shall be limited to no more than 20% of the prior year's contributions. The bill would authorize the commission to use *no more than 30% of* moneys from the State Athletic Commission Neurological Examination Account, upon appropriation by the Legislature, to fund special neurological examinations and new diagnostic imaging and testing to be used in relation to those required examinations.

Existing law requires the commission to license referees. Existing law requires a referee to be in attendance at every boxing contest and to enforce the rules of the commission at every boxing contest. Existing law requires a licensed physician and surgeon to observe the physical condition of the contestant during the contest. Existing law prohibits a referee or physician and surgeon from being assigned to a boxing contest if he or she has not participated in a clinic sponsored by the commission in the preceding 6 months. Existing law authorizes the commission to

pay any necessary and permitted travel expenses of referees and physicians and surgeons who attend such clinics.

This bill would instead prohibit a referee or physician and surgeon from being assigned to a boxing contest if he or she has not completed, within the preceding 6 months, a clinic offered by a provider approved by the commission, as specified. The bill would authorize a clinic provider to charge a referee or physician and surgeon participating in a clinic a reasonable fee.

Existing federal law requires a state boxing commission to issue to each professional boxer who registers with it an identification card containing specified information and requires each professional boxer to renew his or her identification card at least once every 4 years.

This bill would require the commission to charge a \$20 fee to issue federal identification cards and would require those cards to be reissued once every 4 years.

Existing law requires every person who conducts a contest or wrestling exhibition, within 5 working days after the determination of every contest or wrestling exhibition for which admission is charged and received, to furnish to the commission, among other things, a fee of 5% of the amount paid for admission to the contest or wrestling exhibition, but prohibits the fee from exceeding \$100,000, and a fee of up to 5%, as specified, for the sale, lease, or other exploitation of broadcasting or television rights, except that this fee is prohibited from being less than \$1,000 or more than \$25,000. Existing law requires the commission to report to a specified legislative committee on the fiscal impact of that \$100,000 limitation. If the fee for a boxing contest exceeds \$70,000, existing law requires that $\frac{1}{2}$ of the amount in excess of \$70,000 be paid to the commission and $\frac{1}{2}$ to the Boxers' Pension Fund. Existing law revises this requirement if a specified report recommends expansion of the application of the Boxers' Pension Fund. Existing law prohibits the minimum fee for an amateur contest or exhibition from being less than \$500.

This bill would instead require those fees to be furnished within 72 hours. The bill would require the commission to report to the Legislature on the fiscal impact of that \$100,000 limitation during its next sunset review. The bill would increase the limit on the 5% fee for the sale, lease, or other exploitation of broadcasting or television rights to \$35,000. The bill would delete the provisions that require revision of the distribution of fees in excess of \$70,000 based on a specified report. The bill would prohibit the minimum fee for an amateur contest or

exhibition from being less than \$1,000. The bill would prohibit the minimum fee for a professional contest or exhibition from being less than \$1,250.

Existing law requires the administrative costs associated with investing, managing, and distributing the Boxers’ Pension Fund to be limited to no more than 20% of the average annual contribution made to the fund in the previous 2 years, not including any investment income derived from the corpus of the fund. Existing law requires the commission to report to a specified legislative committee on the impact of these provisions during the next regularly scheduled sunset review.

This bill would limit those administrative costs to no more than 2% of the corpus of the fund and would require that report to be submitted to the Legislature.

Because a violation of the bill’s requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18602 of the Business and Professions
2 Code is amended to read:

3 18602. (a) Except as provided in this section, there is in the
4 Department of Consumer Affairs the State Athletic Commission,
5 which consists of seven members. Five members shall be appointed
6 by the Governor, one member shall be appointed by the Senate
7 Rules Committee, and one member shall be appointed by the
8 Speaker of the Assembly.

9 The members of the commission appointed by the Governor are
10 subject to confirmation by the Senate pursuant to Section 1322 of
11 the Government Code.

12 No person who is currently licensed, or who was licensed within
13 the last two years, under this chapter may be appointed or
14 reappointed to, or serve on, the commission.

1 (b) In appointing commissioners under this section, the
2 Governor, the Senate Committee on Rules, and the Speaker of the
3 Assembly shall make every effort to ensure that at least four of
4 the members of the commission shall have experience and
5 demonstrate expertise in one of the following areas:

6 (1) A licensed physician or surgeon having expertise or
7 specializing in neurology, neurosurgery, head trauma, or sports
8 medicine. Sports medicine includes, but is not limited to,
9 physiology, kinesiology, or other aspects of sports medicine.

10 (2) Financial management.

11 (3) Public safety.

12 (4) Past experience in the activity regulated by this chapter,
13 either as a contestant, a referee or official, a promoter, or a venue
14 operator.

15 (c) Each member of the commission shall be appointed for a
16 term of four years. All terms shall end on January 1. Vacancies
17 occurring prior to the expiration of the term shall be filled by
18 appointment for the unexpired term. No commission member may
19 serve more than two consecutive terms.

20 (d) Notwithstanding any other provision of this chapter,
21 members first appointed shall be subject to the following terms:

22 (1) The Governor shall appoint two members for two years, two
23 members for three years, and one member for four years.

24 (2) The Senate Committee on Rules shall appoint one member
25 for four years.

26 (3) The Speaker of the Assembly shall appoint one member for
27 four years.

28 (e) (1) This section shall remain in effect only until January 1,
29 2016, and as of that date is repealed, unless a later enacted statute,
30 that is enacted before January 1, 2016, deletes or extends that date.

31 (2) Notwithstanding any other law, the repeal of this section
32 renders the board subject to review by the appropriate policy
33 committees of the Legislature.

34 SEC. 2. Section 18613 of the Business and Professions Code
35 is amended to read:

36 18613. (a) (1) The commission shall appoint a person exempt
37 from civil service who shall be designated as an executive officer
38 and who shall exercise the powers and perform the duties delegated
39 by the commission and vested in him or her by this chapter. The

1 appointment of the executive officer is subject to the approval of
2 the Director of Consumer Affairs.

3 (2) The commission may employ in accordance with Section
4 154 other personnel as may be necessary for the administration of
5 this chapter.

6 (b) This section shall remain in effect only until January 1, 2016,
7 and as of that date is repealed, unless a later enacted statute, that
8 is enacted before January 1, 2016, deletes or extends that date.

9 SEC. 3. Section 18640.5 of the Business and Professions Code
10 is amended to read:

11 18640.5. (a) The commission, at its regularly scheduled
12 meetings, shall invite testimony from boxing stakeholders to
13 identify actions that may lead to greater opportunities for its
14 licensees to participate in major professional championship boxing
15 contests in the State of California. The commission shall invite
16 testimony that shall include, but not be limited to, the following:

17 (1) What cooperative actions may be taken by the private sector
18 boxing stakeholders that may lead to greater opportunities for the
19 commission's licensees to participate in major professional
20 championship boxing contests in the State of California.

21 (2) What role may public-private partnerships play that may
22 lead to greater opportunities for the commission's licensees to
23 participate in major professional championship boxing contests in
24 the State of California.

25 (3) What actions may local agencies take that may lead to greater
26 opportunities for the commission's licensees to participate in major
27 professional championship boxing contests in the State of
28 California.

29 (4) What actions may the commission take that may lead to
30 greater opportunities for the commission's licensees to participate
31 in major professional championship boxing contests in the State
32 of California.

33 (5) What actions may other state agencies take that may lead to
34 greater opportunities for the commission's licensees to participate
35 in major professional championship boxing contests in the State
36 of California.

37 (b) The stakeholders shall include, but not be limited to, boxing
38 promoters, boxing event venues, boxers, sports news outlets, and
39 local agencies that have an interest in providing greater
40 opportunities for the commission's licensees to participate in major

1 professional championship boxing contests in the State of
2 California.

3 (c) Nothing in this section shall jeopardize the commission's
4 duties and responsibilities to protect the safety and welfare of
5 boxers and the public.

6 (d) Costs incurred by the commission in implementing this
7 section shall be covered by existing resources of the commission.

8 SEC. 4. Section 18642 of the Business and Professions Code
9 is amended to read:

10 18642. The commission may license professional and amateur
11 boxers, professional and amateur martial arts fighters, and booking
12 agents, managers of professional boxers and professional martial
13 arts fighters, trainers, chief seconds, and seconds of each.

14 No person shall participate in any contest or serve in the capacity
15 of a booking agent, manager, trainer, or second, unless he or she
16 has been licensed for that purpose by the commission.

17 SEC. 5. Section 18643 of the Business and Professions Code
18 is repealed.

19 SEC. 6. Section 18646 of the Business and Professions Code
20 is amended to read:

21 18646. (a) This chapter applies to all amateur boxing,
22 wrestling, and full contact martial arts contests.

23 (b) The commission may, however, authorize a nonprofit boxing,
24 wrestling, or martial arts club, organization, or sanctioning body,
25 upon approval of its bylaws, to administer its rules for amateur
26 boxing, wrestling, and full contact martial arts contests, and may,
27 therefore, waive direct commission application of laws and rules,
28 including licensure, subject to the commission's affirmative finding
29 that the standards and enforcement of similar rules by that club or
30 organization meet or exceed the safety and fairness standards of
31 the commission. The commission shall review the performance of
32 any such club, organization, or sanctioning body annually.

33 (c) Every contest subject to this section shall be preceded by a
34 physical examination, specified by the commission, of every
35 contestant. A physician shall be in attendance at the contest. There
36 shall be a medical insurance program satisfactory to the
37 commission provided by the amateur club, organization, or
38 sanctioning body in effect covering all contestants. The commission
39 shall review compliance with these requirements.

1 (d) Any club, organization, or sanctioning body that conducts,
2 holds, or gives amateur contests pursuant to this section, which
3 collects money for the event, shall furnish a written financial report
4 of receipts and disbursements within 90 days of the event.

5 (e) The commission has the right to have present without charge
6 or restriction such representatives as are necessary to obtain
7 compliance with this section.

8 (f) The commission may require any additional notices and
9 reports it deems necessary to enforce the provisions of this section.

10 (g) The commission, at its discretion, may rescind previously
11 approved authorization of a nonprofit boxing, wrestling, or martial
12 arts club, organization, or sanctioning body to administer its rules
13 for amateur boxing, wrestling, and full contact martial arts contests.

14 SEC. 7. Section 18653 of the Business and Professions Code
15 is repealed.

16 SEC. 8. Section 18653 is added to the Business and Professions
17 Code, to read:

18 18653. No person shall train a professional boxer or kickboxer
19 or martial arts athlete unless he or she has been licensed by the
20 commission. A professional trainer is someone who is responsible
21 for the day-to-day training of those athletes and possesses a
22 minimum of five years experience in combative sports. Only
23 professional trainers licensed by the commission may make a
24 recommendation to the commission on whether a contestant is
25 prepared for his or her first amateur mixed martial arts bout or to
26 turn professional in boxing, kickboxing, or mixed martial arts. A
27 professional trainer shall be present in the corner of the contestant
28 unless otherwise authorized by the commission or the executive
29 director.

30 SEC. 9. Section 18654 of the Business and Professions Code
31 is repealed.

32 SEC. 10. Section 18654 is added to the Business and
33 Professions Code, to read:

34 18654. Failure of a licensed professional trainer, fighter, boxer,
35 second, or manager to report an injury or knockout of a licensed
36 boxer or fighter to the commission and to a database designated
37 by the commission, which may include the national athlete and
38 bout results databases approved by the Association of Boxing
39 Commissions for boxing and mixed martial arts, shall be grounds

1 for the suspension or revocation of his or her license pursuant to
2 this chapter.

3 SEC. 11. Section 18711 of the Business and Professions Code
4 is amended to read:

5 18711. (a) (1) (A) The commission shall require, as a
6 condition of licensure and as a part of the application process, the
7 examination by a licensed physician and surgeon who specializes
8 in neurology and neurosurgery of each applicant for a license as
9 a professional athlete or contestant licensed under this chapter or,
10 if for the renewal of a license, this examination every year, in
11 addition to any other medical examinations.

12 (i) Upon initial licensure, the examination shall include tests
13 and examinations designed to detect physical conditions that could
14 place the athlete or contestant at risk for serious injury or
15 permanent or temporary impairment of any bodily function. These
16 tests or examinations shall include, but not be limited to, a
17 neurological examination or a neuro-psychological examination,
18 a brain imaging scan, and an electrocardiogram (EKG). The
19 physician may recommend any additional tests or evaluations he
20 or she deems necessary.

21 (ii) For renewal of a license, the physician shall determine the
22 tests or evaluations necessary, if any.

23 (iii) The commission may require an athlete or contestant
24 licensed under this chapter to undergo additional neurological tests
25 where, based on the totality of the athlete's or contestant's records,
26 it appears the athlete or contestant may be at risk of cognitive
27 impairment.

28 (iv) On the basis of a physical examination under this
29 subdivision, and any additional tests that are conducted, the
30 physician may recommend to the commission whether the applicant
31 may be permitted to be licensed in California or not. The executive
32 officer shall review these recommendations and report any denials
33 of licensure. If, as a result of these recommendations, the executive
34 officer refuses to grant the applicant a license or to renew a license,
35 the applicant shall not compete in California until the denial has
36 been overruled by the commission as provided in this chapter.

37 (v) The commission may waive the requirement for a brain
38 imaging scan or an EKG if a brain imaging scan or EKG was
39 completed as part of the licensing requirements in another state,
40 the commission determines that this brain imaging scan or EKG

1 creates a reliable baseline for the athlete or contestant, and the
2 commission has been provided with a copy of the brain imaging
3 scan or EKG reports.

4 (vi) This subparagraph shall become inoperative on the date the
5 regulations adopted by the commission pursuant to subparagraph
6 (B) become operative.

7 (B) On and after January 1, 2008, all professional athletes
8 licensed under this chapter shall be required by the commission
9 to complete a medical examination process, which shall include
10 the completion of specific medical examinations, to be determined
11 by the commission through regulations, as a condition of initial
12 licensure and license renewal. This medical examination process
13 may include examinations required under current law and any
14 additional medical examinations determined to be medically
15 necessary. In adopting the medical examination process, the
16 commission shall consider the health and safety of contestants, the
17 medical necessity of any examinations required, and the financial
18 aspects of requiring those medical examinations.

19 (2) In the absence of any pertinent untoward medical event, the
20 commission may, in its discretion, on forms prescribed by the
21 commission, accept tests or evaluations that are equivalent to those
22 described in paragraph (1) and that have been completed within
23 one year of licensure to meet the requirements of this subdivision.

24 (3) (A) Any medical records obtained, reviewed, or created
25 under this chapter shall be utilized only for purposes of
26 administering this chapter. The commission and any physician
27 may not disclose the athlete's medical records without a signed
28 authorization from the athlete, except that the commission may
29 disclose those records to other state licensing boards and
30 commissions to which the athlete has applied for licensure or has
31 an enforcement action pending, or upon court order in a criminal
32 or civil action.

33 (B) After the adoption of regulations to establish a process for
34 participating in medical research studies, the commission may use
35 medical information for purposes of participating in medical
36 research studies of the effects on the human body of contests and
37 exhibitions regulated under this chapter. However, medical
38 information shall not include any personal identifying information
39 on any contestant, including, but not limited to, the contestant's
40 name, address, telephone number, social security number, license

1 number, federal identification number, or any other information
2 identifying the contestant. The medical information shall only be
3 provided if the licensed athlete has consented in writing to
4 participate in the research study. The regulations adopted by the
5 commission shall include a process to ensure that no conflicts of
6 interest arise regarding which medical examinations are required
7 to be completed by contestants.

8 (b) If an applicant for licensure as a professional athlete under
9 this chapter undergoes a neurological examination for purposes
10 of licensure within the 120-day period immediately preceding the
11 normal expiration of that license, the applicant shall not be required
12 to undergo an additional neurological examination within the
13 following 12 consecutive month license period unless the
14 commission, for cause, orders that the examination be taken. The
15 commission shall notify all commission-approved physicians and
16 referees that the commission has the authority to order any
17 professional athlete to undergo a neurological examination.

18 (c) The cost of the examinations required by this section shall
19 be paid from assessments on any one or more of the following:
20 promoters of professional matches, managers, and professional
21 athletes or other contestants licensed under this chapter. The rate
22 and manner of assessment shall be set by the commission, and
23 may cover all costs associated with the requirements of this section.
24 This assessment shall be imposed on all contests approved by the
25 commission under this chapter. As of July 1, 1994, all moneys
26 received by the commission pursuant to this section shall be
27 deposited in and credited to the State Athletic Commission
28 Neurological Examination Account which is hereby created in the
29 General Fund. The administrative costs associated with managing
30 and distributing the State Athletic Commission Neurological
31 Examination Account shall be limited to no more than 20 percent
32 of the prior year's contributions.

33 (d) The commission may use *no more than 30 percent of moneys*
34 from the State Athletic Commission Neurological Examination
35 Account, upon appropriation by the Legislature, to fund special
36 neurological examinations and new diagnostic imaging and testing
37 to be used in relation to the examinations required by this section.

38 (e) Whenever a reference is made to the Boxers' Neurological
39 Examination Account, it is to be construed as referring to the State
40 Athletic Commission Neurological Examination Account.

1 SEC. 12. Section 18731 of the Business and Professions Code
2 is repealed.

3 SEC. 13. Section 18731 is added to the Business and
4 Professions Code, to read:

5 18731. (a) In addition to the other requirements of this chapter
6 and regulations adopted thereunder, no referee or physician and
7 surgeon shall be assigned to a boxing contest if he or she has not
8 completed a clinic offered by a provider approved by the
9 commission.

10 (b) A referee or physician and surgeon shall complete a clinic
11 within the preceding six months of a boxing contest.

12 (c) The commission shall approve a clinic provider if the clinic
13 includes, at a minimum, but is not limited to, the following topics
14 related to a boxing contest: the subjects of the rules of the
15 commission, the recognition and diagnosis of serious or
16 life-threatening, boxing-related and neurological injuries and
17 disorders, and refereeing a bout.

18 (d) The clinic provider may charge a referee or physician and
19 surgeon participating in a clinic a fee in an amount not to exceed
20 the reasonable cost of the clinic.

21 (e) Nothing in this section shall be construed to prohibit the
22 commission from offering a clinic subject to the requirements of
23 this section.

24 SEC. 14. Section 18816 is added to the Business and
25 Professions Code, to read:

26 18816. The application and renewal fee for a licensed
27 professional trainer, as described in Section 18653, shall be two
28 hundred dollars (\$200).

29 SEC. 15. Section 18817 of the Business and Professions Code
30 is repealed.

31 SEC. 16. Section 18820 is added to the Business and
32 Professions Code, to read:

33 18820. The commission shall charge a twenty-dollar (\$20) fee
34 to issue federal identification cards. Cards shall be reissued once
35 every four years.

36 SEC. 17. Section 18824 of the Business and Professions Code
37 is amended to read:

38 18824. (a) Except as provided in Sections 18646 and 18832,
39 every person who conducts a contest or wrestling exhibition shall,
40 within 72 hours after the determination of every contest or

1 wrestling exhibition for which admission is charged and received,
2 furnish to the commission the following:

3 (1) A written report executed under penalty of perjury by one
4 of the officers, showing the amount of the gross receipts, not to
5 exceed two million dollars (\$2,000,000), and the gross price for
6 the contest or wrestling exhibition charged directly or indirectly
7 and no matter by whom received, for the sale, lease, or other
8 exploitation of broadcasting and television rights of the contest or
9 wrestling exhibition, and without any deductions, except for
10 expenses incurred for one broadcast announcer, telephone line
11 connection, and transmission mobile equipment facility, which
12 may be deducted from the gross taxable base when those expenses
13 are approved by the commission.

14 (2) A fee of 5 percent, exclusive of any federal taxes paid
15 thereon, of the amount paid for admission to the contest or
16 wrestling exhibition, except that for any one contest, the fee shall
17 not exceed the amount of one hundred thousand dollars (\$100,000).
18 The commission shall report to the Legislature on the fiscal impact
19 of the one-hundred-thousand-dollar (\$100,000) limit on fees
20 collected by the commission for admissions revenues during its
21 next sunset review.

22 (A) The amount of the gross receipts upon which the fee
23 provided for in paragraph (2) is calculated shall not include any
24 assessments levied by the commission under Section 18711.

25 (B) If the fee for any one boxing contest exceeds seventy
26 thousand dollars (\$70,000), the amount in excess of seventy
27 thousand dollars (\$70,000) shall be paid one-half to the commission
28 and one-half to the Boxers' Pension Fund.

29 (C) The fee shall apply to the amount actually paid for admission
30 and not to the regular established price.

31 (D) No fee is due in the case of a person admitted free of charge.
32 However, if the total number of persons admitted free of charge
33 to a boxing, kickboxing, or martial arts contest, or wrestling
34 exhibition exceeds 33 percent of the total number of spectators,
35 then a fee of one dollar (\$1) per complimentary ticket or pass used
36 to gain admission to the contest shall be paid to the commission
37 for each complimentary ticket or pass that exceeds the numerical
38 total of 33 percent of the total number of spectators.

39 (E) The minimum fee for an amateur contest or exhibition shall
40 not be less than one thousand dollars (\$1,000). The minimum fee

1 for a professional contest or exhibition shall not be less than one
2 thousand two hundred fifty dollars (\$1,250).

3 (3) A fee of up to 5 percent, to be established by the commission
4 through regulations to become operative on or before July 1, 2008,
5 and updated periodically as needed, of the gross price, exclusive
6 of any federal taxes paid thereon, for the sale, lease, or other
7 exploitation of broadcasting or television rights thereof, except
8 that in no case shall the fee be less than one thousand dollars
9 (\$1,000) or more than thirty-five thousand dollars (\$35,000).

10 (b) As used in this section, “person” includes a promoter, club,
11 individual, corporation, partnership, association, or other
12 organization, and “wrestling exhibition” means a performance of
13 wrestling skills and techniques by two or more individuals, to
14 which admission is charged or which is broadcast or televised, in
15 which the participating individuals are not required to use their
16 best efforts in order to win, and for which the winner may have
17 been selected before the performance commences.

18 SEC. 18. Section 18825 of the Business and Professions Code
19 is amended to read:

20 18825. An inspector or other representative of the commission
21 duly authorized by the executive officer shall be admitted to the
22 box office, and is authorized to assist in the counting of tickets
23 and in the computation of the tax due thereon, and to take any
24 other action necessary for the administration and enforcement of
25 this chapter. The inspector or other representative shall immediately
26 transmit to the commission the official statement of gross receipts
27 received by him or her from the promoter.

28 SEC. 19. Section 18882 of the Business and Professions Code
29 is amended to read:

30 18882. (a) At the time of payment of the fee required by
31 Section 18824, a promoter shall pay to the commission all amounts
32 scheduled for contribution to the pension plan. If the commission,
33 in its discretion, requires pursuant to Section 18881, that
34 contributions to the pension plan be made by the boxer and his or
35 her manager, those contributions shall be made at the time and in
36 the manner prescribed by the commission.

37 (b) All contributions to finance the pension plan shall be
38 deposited in the State Treasury and credited to the Boxers’ Pension
39 Fund, which is hereby created. Notwithstanding the provisions of
40 Section 13340 of the Government Code, all moneys in the Boxers’

1 Pension Fund are hereby continuously appropriated to be used
2 exclusively for the purposes and administration of the pension
3 plan.

4 (c) The Boxers’ Pension Fund is a retirement fund, and no
5 moneys within it shall be deposited or transferred to the General
6 Fund.

7 (d) The commission has exclusive control of all funds in the
8 Boxers’ Pension Fund. No transfer or disbursement in any amount
9 from this fund shall be made except upon the authorization of the
10 commission and for the purpose and administration of the pension
11 plan.

12 (e) Except as otherwise provided in this subdivision, the
13 commission or its designee shall invest the money contained in
14 the Boxers’ Pension Fund according to the same standard of care
15 as provided in Section 16040 of the Probate Code. The commission
16 has exclusive control over the investment of all moneys in the
17 Boxers’ Pension Fund. Except as otherwise prohibited or restricted
18 by law, the commission may invest the moneys in the fund through
19 the purchase, holding, or sale of any investment, financial
20 instrument, or financial transaction that the commission in its
21 informed opinion determines is prudent.

22 (f) The administrative costs associated with investing, managing,
23 and distributing the Boxers’ Pension Fund shall be limited to no
24 more than 2 percent of the corpus of the fund. Diligence shall be
25 exercised by administrators in order to lower the fund’s expense
26 ratio as far below 2 percent as feasible and appropriate. The
27 commission shall report to the Legislature on the impact of this
28 provision during the next regularly scheduled sunset review.

29 SEC. 20. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within
36 the meaning of Section 6 of Article XIII B of the California
37 Constitution.

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