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SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ÄINA STATE OF HAWAII | KA MOKUʻĀINA ʻO HAWAIʻI OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KA ʻOIHANA PILI KĀLEPA 335 MERCHANT STREET, ROOM 310

P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: (808) 586-2850 Fax Number: (808) 586-2856 cca.hawaii.gov NADINE Y. ANDO DIRECTOR | KA LUNA HO'OKELE

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Testimony of the Department of Commerce and Consumer Affairs

Before the House Committee on Finance Wednesday, March 29, 2023 3:00 p.m. Conference Room 308 and Videoconference

On the following measure: S.B. 1027, S.D. 1, H.D. 1 RELATING TO COMBAT SPORTS

Chair Yamashita and Members of the Committee:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs' (Department). The Department opposes this bill, which establishes a Combat Sports Commission (Commission).

The purposes of this bill are to: (1) establishes the combat sports commission of Hawaii; (2) provide for regulation of combat sports; (3) prohibits no rules combat or similar contests; (4) appropriates funds.

The Department appreciates the Legislature's consideration of much needed FTEs provided in this bill for the Professional and Vocational Licensing Division (Division); however, the Department opposes this measure because the creation of a Commission is unnecessary because, currently, Hawaii Revised Statutes (HRS) chapter 440E establishes the Mixed Martial Arts 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, Testimony of DCCA S.B. 1027, S.D. 1 H.D.1 Page 2 of 2

<u>February 2007</u>). This was done to streamline its administration, increase accountability, and to ensure efficiency. Any problems or issues could be brought directly to the Director without having to wait for a scheduled commission meeting. Most importantly, HRS chapter 440E includes the appropriate safeguards for contestants and prohibits "no rules" combat pursuant to HRS section 440E-23.

In contrast, the creation of a commission would significantly lengthen the licensing process and consequently, jeopardize scheduled events. For example, the requirement that the Commission approve all contestants is impractical, as there are often many contestant changes throughout the lead up and even in the days immediately prior to an event. The event would potentially have to be canceled, due to the Commission being subject to Sunshine Law requirements. 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.

The Department requests clarification on how the Commission as proposed in the bill would regulate amateurs. As defined in the bill, "combat sports contests" would not apply to amateurs who do not receive compensation for competing. Although, they do not receive compensation, it is essential that the regulating body is able to review and regulate all contestants. Currently, amateur and professional contestants are required to meet medical requirements before they participate in a combat sports contest. The Department further requests clarification on how contests made up of entirely amateur contestants would be regulated.

The Department requests this bill be deferred and that a working group be created to best meet expansion of the current Mixed Martial Arts program to accommodate issues and concerns raised by Combat Sports supporters.

Thank you for the opportunity to testify on this bill.

Aloha to all members of the Committee, I am submitting testimony in support of SB1027.

My name is Jay Kahe'e. I am a Firefighter/Paramedic on the Big Island. I have been in Martial Arts for 30 years, from Tae Kwon Do as a kid, to amateur then professional kickboxing, then professional mixed martial arts.

I have fought in multiple events on the Big Island, Maui, Oahu, Oregon, and California. I have held multiple titles in these organizations and have experienced firsthand, what having the right structure in place does for the stability of these events. Like anything else, it allows for ease of duplication and expansion. The implications of having a Sports Commission that specializes is Mixed Martial arts will have on our community is exponential.

First and Foremost is the safety of the fighters. In the current setup here in Hawai'i, I have firsthand competed against competitors actively on Performance Enhancing Drugs, like steroids. I have also heard other competitors say they were high on Meth when they fought. With the Establishment of a Commission, the process of scrutinizing the competitors would increase to prevent these types of dangerous incidents from happening. This is a media frenzy waiting to happen.

Hawaii is a dream destination for the whole world. People will travel from every corner to watch their favorite competitors compete, then "sip mai tais" on the beach. The amount of revenue an event like UFC or Bellator would bring in, would be infused directly into the restaurants, mom and pop shops, shopping centers, local gyms, tours, hotels, and bars of the entire state with one event. Hawai'i will become an even bigger must go destination for visitors of all ages. After a few of these events, the revenue received by the state would far offset any initial monetary startup to put a respected Commission structure in place.

The states where MMA have been legalized and supported have flourished. New Jersey for example has become a Mecca for MMA and MMA fight fans. I believe Hawai'i could experience even greater success in attracting hundreds of thousands more visitors every year.

As a state, we have put out a plethora of high caliber MMA competitors, and because of that, we have a thriving MMA and Jui Jitsu presence across the state. We have so much untapped talent that call Hawaii home. With no "Professional" sport or sport team, Hawaii fans are ready to support local talent.

Establishing a Commission dedicated to Mixed Martial Arts or even expanding on the current Athletic Commission by adding an MMA wing, would change the face of Hawai'i. Will there be challenges? Or course. Are we able to improve upon things we overlook? Absolutely. But status quo is failing the fighters and limiting the potential of what Hawai'i can become.

Please consider this issue beyond the formality of the commission itself and what this will look like for the future of Hawai'i.

Thank you all for your your time and consideration.

Jay Kahe'e

<u>SB-1027-HD-1</u> Submitted on: 3/28/2023 11:18:47 AM Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lincoln Ashida	Individual	Support	Written Testimony Only

Comments:

I strongly support the creation of a commission to oversee full contact combat sports in Hawaii. With the growing popularity of the sport (especially among our youth), together with proliferation of events coming to Hawaii, government oversight to address health, safety, commerce, and other concerns becomes imperative. A commission charged with such oversight, with accountability measures in place, is exactly what is needed.

I am born and raised in Hawaii, and have served for over 27 years as a prosecutor and the Corporation Counsel for the County of Hawaii, before entering private practice. As an active member of many community organizations, I witness that the best programs are ones that involve a healthy public-private partnership, and ones that provide necessary government regulation.

For the above reasons, I unqualifiedly support passage of SB1027, SD1, HD1.

Thank you.

Aloha, Chair Kyle Yamashita and Vice chair Lisa Kitagawa members of the Committee, My name is Walter Carvalho I am submitting testimony in support of SB1027 with recommended amendments. I have traveled the world working at all the biggest Mixed Martial and Professional Boxing events. I have also coached several hundreds of kids here in Hawaii and in the states. I have a 501-C3 Non-Profit Youth program here in Hilo and I work with allot of at risk kids for 20 years kids, have been licensed in more than 21 states and several Countries. I have worked with all of the largest World Class events and understand why they do not want to come to Hawaii. With this new commission I think we can truly turn this around.

Hawaii needs a legitimate combat sports commission with its own dedicated funding and qualified officials to attract the UFC so they will host fights in Hawaii. I support the measures intent to create a combat sports commission for the purposes of attracting the UFC, ONE FC, and several other Professional events to Hawaii however; I would like to offer the following amendments to the structure of the commission:

1. The DCCA should only be administratively attached to the combat sports commission for the purposes of helping the commission with its accounting needs only. They will handle all incoming money's from all events and provide the support that the Commission needs to pay its own Commissioners and Inspectors within. All money's earned by the Combat sport commission will be deposited into its own Special Funds account and will only be used to support anything to do with combat sports and in providing all rules and safe measures to help each event be successful.

2. I also recommend that all combat athletes be licensed and registered through this commission Amateurs as well as pro's it will allow us to track each individual as they progressively advance in the sport. Right now there is no way to track any fighters here in Hawaii. This needs to be implemented. The importance of this is to make sure that fighters are not over matched and that the safety of the Athlete comes first. It also allows the Commission to apply disciplinary action to a fighter or coach if rules are broken. We are at a rebuilding stage here in Hawaii for Combat sports and if we do this right you will see a number of Great Athletes rise from this protocol.

3. There should be no so called Smokers or Exhibition fights scheduled in Hawaii everything will go directly through the Commission. All kids will be licensed and all events will carry both liability and Medical insurance on all participants and fans NO EXCEPTION. All coaches and corner men will have to be certified to work any fighter's corner a written test and interview will be required to be accepted by the commission.

4. The DCCA is not experienced in operating and facilitating any combat sports commission, therefore the DCCA should not have influence over the makeup of the commission and its members. All members of this commission should have an extensive background in Martial Arts; there are many qualified people for these positions.

5. DCCA has tried to provide the help we needed thus far but many things have fallen through the cracks therefore stopping the bigger events from coming to Hawaii.

I would like to thank you in advance for your time and consideration.

Walt Carvalho 808-960-4341

SB-1027-HD-1

Submitted on: 3/28/2023 6:14:04 PM Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Padilla	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is David Padilla, and I am in support of SB1027. I have competed professionally in different, countries, territories, and states. All the places that had an athletic commission, (which was most places), gave the sport of MMA the professional feel that it deserves. At one time Hawaii was the mecca of martial arts, and since the DCCA has got involved, we have fell off the map. Our young athletes that have a desire to pursue the sport professionally end up leaving the islands for better opportunities. The way that it is being managed now does not allow the smaller shows to operate without losing money. Without smaller shows there is no way for the contestants to get better on a climb to being a professional. I could go on and on about the problems and obstacles with the current condition of the way it is being ran now. Instead, I will just say this, under a self-sustaining combat sports commission, there will be more professionalism and opportunity brought to combat sports in Hawaii. Let's make Hawaii a place where big shows like the UFC would love to come and put on events. Thank you for your time.

Representative Kyle Yamashita

Chairman, Committee on Finance

March 29, 2023

Testimony in support of SB 1027 SD1 HD1

Aloha Chair Yamashita and Vice Chair Kitagawa,

My name is Jerry Chang, submitting written testimony in support of SB 1027 SD1 HD1 to create a Combat Sport Commission to be administered by the DCCA.

As a former State Representative I introduced legislation to regulate mixed martial arts events in the State for the safety of the participants and ensure proper administration of all MMA events. That was a good start but adding a commission with experienced members to ensure that the events are run safely and the participates and spectators wellbeing a priority.

As a former President of the Big Island Boxing Association, we were under the rules and regulations of the Hawaii State Boxing Commission, but when the sport of Mixed Martial Arts came into existence there were no regulatory agency to monitor the sport, promoters, officials, physicians, etc.

A recommended amendment is to include professional and amateur participants and to setup a special fund specific to the operations of the commission and its operations.

Mahalo for the opportunity to testify. Jerry L. Chang Hughlung 808 286-0461