A Bill for an Act Relating to Boxing.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 440-1, Hawaii Revised Statutes, is amended by adding four new definitions to be appropriately inserted and to read as follows:

""Director" means the director of commerce and consumer affairs.

"Executive officer" means the executive officer assigned to the commission.

"Manager" means any person who:

(1) Undertakes or has undertaken to represent in any way the interest of any professional boxer in procuring, arranging, or conducting any professional contest in which the boxer is to participate as a contestant; provided that "manager" shall not include an attorney licensed to practice in this State while the attorney is representing the legal interest of a professional boxer as a client; or

(2) Directs or controls the boxing activities of the professional boxer.

"Professional boxing contest" or "boxing contest" is one in which a contestant boxes with or against another boxer for a money prize or purse or other form of compensation."

SECTION 2. Section 440-1, Hawaii Revised Statutes, is amended as follows: 1. By amending the definition of "amateur boxing contest" to read:

""Amateur boxing contest" is one in which no contestant has [received or will receive, directly or indirectly, any money, prize, reward, or compensation either for the expenses of training for the contest or for taking part therein,] boxed with or against a professional boxer or another amateur boxer for a money prize or purse, except as provided in this chapter."

2. By amending the definition of "club" to read:

""Club" means a promoter, corporation, [organization, or association.] joint venture, partnership, limited liability corporation, limited liability partnership, or any other type of business entity that promotes, conducts, holds, or gives a boxing contest. The terms "club" and "promoter" are synonymous, and may be used interchangeably."

3. By amending the definition of "professional boxer" to read:

""Professional boxer" is one who: competes for a money prize or purse[5] or other form of compensation; or teaches, pursues, or assists in the practice of boxing as a means of obtaining a livelihood or pecuniary gain."

4. By repealing the definition of "secretary".

[""Secretary" means the executive secretary to the state boxing commission."]

SECTION 3. Section 440-2, Hawaii Revised Statutes, is amended to read as follows:

"§440-2 Commission established. There shall be a board which shall be known as the state boxing commission of Hawaii. The commission shall consist of five members. [One] At least one of the members shall be a member of [the Hawaiian association of an amateur athletic federation of the United States of America.] USA Boxing, Inc. One member shall be designated by the governor as chairperson of the commission."

SECTION 4. Section 440-5, Hawaii Revised Statutes, is amended to read as follows:

"§440-5 Deputy commissioners. The director [of commerce and consumer affairs] may appoint [and remove] deputy commissioners[-]; provided that the director has the approval of the commission prior to any appointment. The director may remove deputy commissioners after consultation with the commission. The [boxing] commission may direct the deputy commissioner or deputy commissioners [or any one or more of them] to be present at any boxing contest and, in the absence of the commission or a member thereof, to superintend and control the boxing contest, in accordance with this chapter and the rules [passed] adopted by the commission pursuant thereto. The deputy commissioners shall make a written report to the [seeretary] executive officer in the manner and form prescribed by the commission of the conditions prevailing at every contest."

SECTION 5. Section 440-6, Hawaii Revised Statutes, is amended to read as follows:

"\$440-6 [Seal and rules.] Rules. The [boxing] commission [shall adopt a seal and] may [make,] adopt, amend, and repeal rules [as] that it considers necessary or expedient for the conduct of its business and the regulation of the matters [herein] in this chapter committed to its charge. The rules when [prescribed in conformity with] adopted pursuant to chapter 91 shall have the force and effect of law."

SECTION 6. Section 440-8, Hawaii Revised Statutes, is amended to read as follows:

"\$440-8 Authority to subpoena witnesses, to administer oaths and penalties. The chairperson or the [secretary] executive officer may issue subpoenas for the attendance of witnesses before the [boxing] commission, with the same effect as if [they] the subpoenas were issued in an action in the circuit court, and may administer oaths in all matters connected with the administration of the affairs of the commission. Disobedience of a subpoena and false swearing before the [secretary] executive officer or the commission shall be attended by the same consequences and be subject to the same penalties as if disobedience or false swearing occurred in an action in the circuit court."

SECTION 7. Section 440-8.5, Hawaii Revised Statutes, is amended to read as follows:

- "\$440-8.5 Powers and duties of the commission. In addition to any other powers and duties authorized by law, the commission shall adopt rules pursuant to chapter 91 to provide for the following:
  - (1) [A trust or escrow account system to ensure that all financial obligations are met by a promoter before a boxing contest. This system shall supersede all other financial obligatory requirements imposed on promoters by this chapter;] An appropriate method of ensuring that all financial obligations are met by a promoter who conducts, holds, or gives a boxing contest;
  - (2) A public record accounting for the distribution of all tickets provided to the commission by a promoter and anything else of value which is provided to the commission;

(3) [An annual clinic or seminar on health and medical safety for boxers;]

Clinics or seminars on health and safety for licensees, as deemed necessary by the commission;

(4) A mandatory neurological examination for any boxer who is knocked out in a boxing contest, and an eye examination as part of a boxer's

annual medical examination; [and]

(5) An automatic medical suspension from boxing for a period of time to be determined by the commission for any boxer who is knocked out from head blows or who has received a severe beating about the head. The period of time of the automatic medical suspension shall be based upon the severity of the beating received by the boxer[-];

Procedures to evaluate the professional records and physician's certification of each boxer participating in a professional boxing contest in the State and to deny authorization to a boxer to fight when the

requirements of this paragraph are not met;

(7) Procedures to ensure that no boxer is permitted to box while under suspension from any boxing commission due to:

A) A recent knockout or series of consecutive losses;

(B) An injury, any required medical procedure, or a physician's denial of certification to box;

(C) Failure of any drug test; or

(D) The use of false aliases or falsifying or attempting to falsify official identification cards or documents relating to boxing;

(8) Procedures to review a suspension if appealed by a boxer, including an opportunity for a boxer to present contradictory evidence;

(9) Procedures to revoke a suspension if a boxer furnishes proof of sufficiently improved medical or physical condition or furnishes proof that the suspension was not, or is no longer, warranted by the facts; and

(10) Establishing a boxing registry and the issuance of an identification card to boxers."

SECTION 8. Section 440-9, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) No <u>professional</u> boxing contest shall take place unless the commission has approved all proposed bouts. In addition, the commission shall not allow any professional boxing contest unless:

(1) The contestants use gloves not less than six ounces in weight;

(2) The contest consists of not more than [fifteen] twelve rounds of a duration of not more than three minutes each with an interval of one minute between each round and the succeeding round;

(3) Each contestant is at least eighteen years of age; [and]

One hour prior to the contest each contestant is examined by a licensed physician who shall certify in writing to the referee of the contest that the contestant is physically fit to engage therein[-];

(5) The promoter has complied with sections 440-10 and 440-11; and

(6) All participants have complied with the requirements provided in this chapter and rules adopted in accordance with chapter 91."

SECTION 9. Section 440-10, Hawaii Revised Statutes, is amended to read as follows:

"\$440-10 Licenses, promoters. (a) Any individual[, partnership, club, association, organization, or corporation] or club may [make application] apply to the commission for a license to conduct, hold, [and] or give professional boxing

contests. The application shall be in writing, addressed to the commission, and signed by the applicant, or if the applicant is a club, [association, organization, or corporation,] by a duly authorized officer, partner, or member thereof, and shall include the following:

 Evidence of financial integrity [for an individual applicant, for each partner of a partnership or joint venture, or for each corporate entity or association to include a:

(A) Current credit report covering a five year period immediately

preceding the date of application;
(B) Current financial statement certified by a registered certified

public accountant or a registered public accountant:

(C) State tax clearance from the state department of taxation;] in accordance with rules adopted by the commission pursuant to

chapter 91; and

[(2) For corporations organized under the laws of the State, a copy of the affidavit of officers on file with the department of commerce and consumer affairs, or certificates of registration for foreign corporations and partnerships;

(3) Proof that the applicant has contracted for medical insurance coverage for all boxers on the applicant's eards.] (2) Proof that the applicant has currently satisfied all of the applicable requirements of the depart-

ment's business registration division.

(b) The application shall contain a recital of the facts as may be specified by the commission in order for it to determine whether or not the applicant possesses the necessary physical, mental, moral, and financial qualifications to entitle the applicant to a license.

(c) The commission shall not issue any license to conduct, hold, or give boxing contests unless it is satisfied that the applicant has complied with the conditions of this chapter, possesses the necessary qualifications for a license, and is the real party in interest, and intends to conduct, hold, or give the contests or matches itself. The commission shall not issue a promoter's license to an applicant if the applicant or any of the applicant's officers, partners, members, or associates have been convicted of any crime related to gambling or a crime that is directly related to the person's performance in the sport of boxing.

(d) A license may be revoked at any time if the commission finds after a hearing that: the licensee is not the real party in interest or [does not comply with the conditions of this chapter.] has not complied with this chapter or the rules of the commission; or the licensee or any of the licensee's officers, partners, members, or associates have been convicted of any crime related to gambling or a crime that is

directly related to the person's performance in the sport of boxing.

(e) Every license shall be subject to this chapter and the rules [as] of the commission [may prescribe]."

SECTION 10. Section 440-11, Hawaii Revised Statutes, is amended to read as follows:

**"§440-11** [License fee; bond; requirements to maintain license.] Requirements to hold a boxing contest. (a) The application for a license to promote professional boxing contests [or amateur boxing contests] shall be accompanied by a fee as provided in rules adopted by the director [of commerce and consumer affairs] pursuant to chapter 91.

(b) [Before any license is granted, the applicant shall file and maintain with the commission proof of medical insurance for boxers as provided in section 440-10(a)(3) and a bond in the sum of \$5,000 with good and sufficient sureties

conditioned for the faithful performance by the applicant of this chapter. In case of default in the performance, the bond shall be forfeited and the full amount thereof, or any less amount as the commission may determine, shall be recovered by the attorney general in the name of the State and the amount so recovered shall be paid to any aggrieved party for monetary damages sustained as a result of the applicant's default in performance, as determined by the commission, with the remainder paid into the state treasury.

(e)] For approval to conduct, hold, or give a boxing contest, a promoter shall provide proof of medical insurance for boxers in accordance with rules adopted by the commission. All promoters shall be responsible for paying any deductible

amount of the medical insurance policy.

(c) Prior to each boxing contest, a promoter shall provide a bond, in an amount determined by the commission, to adequately cover the promoter's obligations in conducting, holding, or giving a boxing contest. The bond shall be executed by the promoter as principal and by a surety company authorized to do business in the State as the surety. If the promoter fails to pay any obligations covered by the bond, any aggrieved person may file an action against the bond to recover the amount owed, in the circuit court in the circuit in which the boxing contest was conducted, held, or given; provided that the aggregate liability of the surety to all aggrieved persons shall not exceed the amount of the bond. Any action against the bond shall be commenced within ninety days after the boxing contest was conducted, held, or given.

(d) Prior to any boxing contest, all contracts with managers, boxers, and venues, including any agreement of pre-contest training funds advanced to any contestant either by the promoter or manager or any party of interest, shall be submitted by the promoter to the commission for its review and approval.

(e) Prior to any boxing contest, the promoter shall submit to the commission, for its review and approval, all ring records of all boxers scheduled to participate in

the contest.

(f) A promoter shall provide cashier's or certified checks made payable to each contestant for the amount due the contestant or the contestant's manager, as the case may be, in accordance with the contracts approved by the commission.

(g) A promoter shall provide to the commission written confirmation that an ambulance with paramedics and appropriate security have been obtained and will be

present at all times at the venue of the boxing contest.

(h) Failure, refusal, or neglect of any licensed promoter [to maintain in full force and effect the applicable medical insurance or the applicable bond covered in this section shall cause the automatic suspension of the promoter's license as of the date of expiration or cancellation of the medical insurance or bond. A licensee may, within fifteen days after receipt of the notification of the license suspension, request an administrative hearing to review the suspension pursuant to chapter 91.

The commission shall not reinstate the affected license until satisfactory proof of medical insurance or bond coverage, as appropriate, is submitted to the commission. Failure to effect a reinstatement of a suspended license within sixty

days of the suspension shall cause the license to be terminated.

The commission may assess a fee not to exceed \$500 as a condition for the reinstatement of a license terminated pursuant to this section.] to comply with this section shall result in the automatic denial to hold the boxing contest.

(i) Licensed promoters may engage in promotions with other licensed promoters as long as each promoter holds a valid, unexpired license and has received

the written approval of the commission prior to the promotion.

(j) No boxing contest shall be commenced without the approval of the commission pursuant to this section."

SECTION 11. Section 440-12, Hawaii Revised Statutes, is amended to read as follows:

"§440-12 Licenses, participants. (a) Any individual [, partnership, or corporation] may [make application] apply to the commission for a license to act as a physician, referee, judge, matchmaker, manager, timekeeper, second, or professional boxer to participate, either directly or indirectly, in any boxing contest. The application shall be in writing, addressed to the commission, and signed by the applicant [or, if the applicant is a corporation, by a duly authorized officer thereof]. The application shall contain a recital of facts as may be specified by the commission in order for it to determine whether or not the applicant possesses the necessary physical, mental, and moral qualifications to entitle the applicant to a license. The commission shall adopt rules for licensure in accordance with chapter 91.

(b) In addition, the applicant for a referee, judge, manager, or second license shall take and pass a written examination as provided by the commission. The commission may exempt an applicant for a manager or second license from taking the examination, if the applicant holds a valid manager or second license in another

jurisdiction with comparable boxing regulations.

(c) Any license to act as a physician, referee, judge, matchmaker, manager, timekeeper, second, or professional boxer may be suspended or revoked, or the person otherwise disciplined by the commission [upon cause as it deems sufficient after due] after a contested case hearing[-] held in accordance with chapter 91."

SECTION 12. Section 440-13, Hawaii Revised Statutes, is amended to read as follows:

"§440-13 License fees. (a) License fees shall be paid annually to the State by every applicant to whom a license is issued to participate in the conduct of professional boxing in any of the capacities set forth in this [section:] <a href="mailto:chapter:promoter">chapter:promoter</a>, physician, referee, judge, matchmaker, manager, timekeeper, second, and professional boxer. The charge for a duplicate of a license and all fees required by this chapter shall be as provided in rules adopted by the director [of commerce and consumer affairs] pursuant to chapter 91 and shall be deposited with the director [of commerce and consumer affairs] to the credit of the compliance resolution fund established pursuant to section 26-9(o).

(b) The director [of commerce and consumer affairs] may establish a schedule of license fees for participation in amateur boxing contests, and may waive payment of license fees for amateur boxing contests."

SECTION 13. Section 440-14, Hawaii Revised Statutes, is amended to read as follows:

"\$440-14 Licenses, limitations, renewals. (a) No boxing contest shall be conducted, held, or given unless all the parties participating, as designated herein, are licensed by the [boxing] commission, and it shall be unlawful for any [person, partnership, or corporation] individual or club to participate in a boxing contest in any capacity designated herein unless the person is licensed to do so.

(b) The commission may limit the number of licenses issued for any purpose as specified in this chapter and may limit the number of professional boxing contests

conducted, held, or given in any city, town, or in the State.

(c) All licenses shall be for a period of not more than one year and all licenses shall expire on December 31 of the year in which the licenses are issued.

(d) The commission, at its discretion[, may] and upon application, may renew the licenses for the following year. Failure to timely renew any license shall

result in the automatic forfeiture of the license. Any applicant whose license has been forfeited shall file an application for a new license and meet all current requirements, including successful passage of the examination, as the case may be, for the license.

(e) Every individual or club[, person, partnership, or corporation] licensed under this chapter [is] shall be subject to the rules[, and amendments thereof, as] adopted by the commission [may prescribe]."

SECTION 14. Section 440-15, Hawaii Revised Statutes, is amended to read as follows:

"§440-15 Receipts and reports thereon. (a) Every [person,] individual or club[, corporation, organization, or association] holding a license to conduct, hold, or give boxing contests [shall], within seventy-two hours after the determination of every boxing contest for which admission fees are charged and received, shall furnish to the [boxing] commission a written report, duly verified, showing the number of tickets sold for the contest [and], the amount of the gross receipts or proceeds thereof, and other matters as the commission prescribes.

(b) For [the purpose] purposes of this section, "gross receipts" include income received from the sale of print, internet, broadcasting, television, and motion

picture rights."

SECTION 15. Section 440-16, Hawaii Revised Statutes, is amended to read as follows:

"\$440-16 Failure to report receipts. Whenever any [person,] individual or club[, corporation, organization, or association] holding a license to conduct, hold, or give boxing contests fails to make a report of any boxing contest at the time and in the manner herein prescribed, or whenever the report is unsatisfactory to the commission, the [secretary,] executive officer, at the licensee's expense, may examine, or cause to be examined, the books and records of the [person,] individual or club[, corporation, organization, or association]."

SECTION 16. Section 440-18, Hawaii Revised Statutes, is amended to read as follows:

"\$440-18 Inspectors; duties. The [director of commerce and consumer affairs] commission shall [employ] appoint official representatives designated as inspectors, each of whom shall receive from the [boxing] commission a card or badge authorizing the person to act as inspector whenever the commission may designate the person to so act. An inspector or the [secretary] executive officer shall be present at all professional boxing contests and see that this chapter and the rules are strictly observed [and shall also be present at the counting of the gross receipts or proceeds of all boxing contests,] and [shall], as soon as practicable thereafter, shall mail or deliver to the commission the official box office statement received by the inspector or [secretary-] executive officer."

SECTION 17. Section 440-19, Hawaii Revised Statutes, is amended to read as follows:

"§440-19 Referees; duties. (a) At each boxing contest there shall be in attendance a duly licensed referee designated by the commission, who shall direct and control the contest. Before starting the boxing contest, the referee shall ascertain from each contestant the name of the contestant's chief second[7] and shall hold the

chief second responsible for the conduct of the assistant seconds during the progress of the contest.

- (b) The referee may recommend and the commission may in its discretion declare [forfeited] the forfeiture of any prize, purse, or remuneration, or any part thereof, to which the contestants or one of the contestants may be entitled, or any part of the gate receipts for which the contestants are competing, if in [its] the commission's judgment the contestants or one of the contestants are not honestly competing.
- (c) Every referee shall warn competing boxers of the referee's power to recommend the forfeiture of purse or purses, should there be any apparent cause for the warning.
- (d) In any case where the referee decides that the contestants are not honestly competing and that under the law the contestants' purses or the purse of either contestant should be forfeited, the bout shall be stopped before the end of the last round, and no decision shall be given. A contestant earns nothing and shall not be paid for a contest in which there is stalling, faking, dishonesty, or collusion. The commission [may], independently of the referee or the referee's decision, may determine the merits of any contest[7] and take whatever action it considers proper. In any case the [secretary] executive officer or any commissioner may order the purse of the offender held up for investigation and action.
- (e) The referee shall stop the contest when either of the contestants shows a marked superiority or is apparently outclassed. The referee, at the termination of each boxing contest, shall render a decision."

SECTION 18. Section 440-21, Hawaii Revised Statutes, is amended to read as follows:

"\$440-21 Physician; duties. Every [person,] individual or club[, corporation, organization, or association] holding a license to conduct, hold, or give boxing contests shall have in attendance at every boxing contest[, a physician] at least two physicians licensed to practice medicine in the State and duly licensed hereunder, who shall observe the physical condition of the contestants and advise the referee with regard thereto[,] and, one hour before each contestant enters the ring, certify in writing as to the physical condition of the contestant to engage in the boxing contest. A report of the medical examination shall be filed with the [boxing] commission not later than twenty-four hours after the termination of the boxing contest. In addition, at least one physician shall immediately examine every contestant who was knocked down or who sustained a severe beating about the head during the contest and shall file a written medical opinion within twenty-four hours of the contest to the executive officer."

SECTION 19. Section 440-22, Hawaii Revised Statutes, is amended to read as follows:

"§440-22 Sham boxing contest; forfeiture of license. Any [person,] individual or club[, corporation, organization, or association] who conducts, holds, or gives or participates in any sham or fake boxing contest, knowing the same to be a sham or fake, shall forfeit the license issued in accordance with this chapter, and the [same] license shall [thereupon] be canceled and declared void by the [bexing] commission. The [person,] individual or club[, corporation, organization, or association] and any officers, partners, or members of the club shall not thereafter be entitled to receive and shall not be given another license."

SECTION 20. Section 440-24, Hawaii Revised Statutes, is amended to read as follows:

"\$440-24 Number of rounds. The [boxing] commission [may], [in] with respect to any [boxing contest or [in] with respect to any class of contestants, may limit the number of rounds of a [bout] boxing contest within the maximum of [fifteen] twelve rounds."

SECTION 21. Section 440-27, Hawaii Revised Statutes, is amended to read as follows:

"§440-27 Financial interest in contestant prohibited. [No person, club, corporation, organization, or association holding a license to conduct, hold, or give boxing contests nor any member or stockholder thereof, shall have, either directly or indirectly, any financial interest in any contestant competing in any boxing contest which it may conduct, hold, or give.] (a) No commission member or staff, appointee, or any individual or club holding a license to conduct, hold, or give boxing contests, nor any officer, partner, or member, may receive any compensation from any person who sanctions, arranges, or promotes professional boxing contests; nor shall they have, either directly or indirectly, any financial interest in any contestant competing in any boxing contest that they conduct, hold, or give.

(b) For purposes of this section, the term "compensation" shall not include funds held in escrow for payment to another person in connection with a professional boxing contest. The prohibition set forth in this section shall not apply to any contract entered into, or any reasonable compensation received, by the commission to supervise a professional boxing contest in this State or another state."

SECTION 22. Section 440-34, Hawaii Revised Statutes, is amended to read as follows:

"\$440-34 Violations; penalty. Any [person, partnership, or corporation] individual or club in violation of this chapter or the rules of the commission shall be fined not more than [\$500] \$5,000 for each violation or imprisoned not more than one year, or both."

SECTION 23. Section 440-35, Hawaii Revised Statutes, is amended to read as follows:

"\$440-35 Not to apply to army, air force, navy, national guard, or police activities league. This chapter shall not apply to any boxing contest held as a recreational activity by army, air force, navy, or national guard personnel, or the police activities league, when the contest is held under the supervision of a recreational officer of the army, air force, navy, or national guard, or a police activities league staff member[; provided that no contest shall be held in any place subject to the jurisdiction of the boxing commission unless the commission has first granted a license to hold the same, for which license no fee shall be charged]."

SECTION 24. Section 440-36, Hawaii Revised Statutes, is amended to read as follows:

"§440-36 Revocation; suspension; fine. (a) In addition to any other actions authorized by law, the commission shall have the power to revoke or suspend the license of any [person, partnership, or corporation] individual or club licensed under

any of the classifications designated in this chapter, or fine the licensee, or both, for any cause authorized by law, including but not limited to the following:

- (1) Violation of any provision of this chapter or the rules adopted pursuant thereto or any other law, or rule that applies to those persons licensed under this chapter;
- (2) Manifest incapacity, professional misconduct, or unethical conduct;
- (3) Making any false representations or promises through advertising or other dissemination of information;
- (4) Any fraudulent, dishonest, or deceitful act in connection with the licensing of any [person, partnership, or-corporation] individual or club under this chapter or in connection with any boxing [match;] contest;
- (5) Making any false or misleading statement in any application or document submitted or required to be filed [in] under this chapter;
- (6) Revocation or suspension of a license or other disciplinary action against the licensee by another state or boxing commission; [97]
- (7) Failure to report any disciplinary action, including medical and mandatory suspensions, or revocation or suspension of a license in another jurisdiction within fifteen days preceding any boxing match in which the licensee participates[-]; or
- (8) Participation in any sham or false boxing contest.
- (b) The manager and second may be held responsible for all violations of this chapter by a boxer whom they manage, second, train, or serve as an agent for and may be subject to license revocation or suspension, or a fine, or any combination thereof, irrespective of whether any disciplinary action is taken against the boxer.
- (c) Any [person, partnership, or corporation] individual or club in violation of this chapter shall be fined not more than [\$1,000] \$5,000 for each violation.
- (d) In addition to the penalties provided in this chapter, any [person, partnership, or corporation] individual or club found in violation of any of the above may be prohibited from engaging in any boxing activities in the State for a period in conformity with that set forth in section 92-17."

SECTION 25. Section 440-25, Hawaii Revised Statutes, is repealed.

SECTION 26. Statutory material to be repealed is bracketed and stricken.<sup>1</sup> New statutory material is underscored.

SECTION 27. This Act shall take effect upon its approval.

(Approved June 21, 2004.)

Note

1. Edited pursuant to HRS §23G-16.5.