

AMENDED IN ASSEMBLY MAY 17, 2012

AMENDED IN ASSEMBLY MAY 2, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2100**

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**Introduced by Assembly Member Alejo**

February 23, 2012

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An act to amend Section 18849 of, and to add Section 18649 to, the Business and Professions Code, relating to athletes.

LEGISLATIVE COUNSEL'S DIGEST

AB 2100, as amended, Alejo. Athletes: mixed martial arts fighters.

Existing law, the State Athletic Commission Act, creates the State Athletic Commission and makes it responsible for licensing and regulating boxing, kickboxing, and martial arts matches and wrestling exhibitions. Existing law prohibits a promoter from having a proprietary interest in a boxer or mixed martial arts fighter without the approval of the commission.

This bill would declare the intent of the Legislature to protect mixed martial arts fighters from exploitive, oppressive, or coercive contracts and to support the establishment of standards to protect these fighters. This bill would require a *licensed* promoter to provide a copy of any written agreement with a professional athlete as well as a written and sworn statement, made under penalty of perjury, that *there are* no other agreements between the promoter and athlete with respect to that contest, and a list of any fees charged or reductions in the amount paid to the

athlete, to the commission before the promoter can receive compensation from a boxing or mixed martial arts contest. By requiring a statement to be made under penalty of perjury, the bill would expand that crime and would thereby impose a state-mandated local program. The bill would require the commission to establish *and enforce, upon receiving a complaint*, a professional code of conduct for licensees, *and* would require the commission to suspend, revoke, or refuse to renew the license of a mixed martial arts promoter who enters into a coercive contract, as defined, with a mixed martial arts fighter; *The bill would also require the commission to suspend, revoke, or refuse to renew the license of a mixed martial arts promoter or fighter* who has been convicted of a felony or other specified crimes, or who has engaged in certain other actions.

This bill would also exempt documents provided to the commission by promoters from disclosure to the public based on a finding by the Legislature that these documents contain proprietary business information.

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. It is the intent of the Legislature in enacting this  
2 act to protect mixed martial arts fighters from being subjected to  
3 exploitive, oppressive, or coercive contractual practices that violate  
4 the athletes’ freedom to work and their ability to support  
5 themselves and their families as professional athletes. Therefore,  
6 it is necessary and appropriate to establish standards to protect the  
7 rights and welfare of mixed martial arts fighters licensed under  
8 this chapter.

9 SEC. 2. Section 18649 is added to the Business and Professions  
10 Code, to read:

11 18649. To ensure that individuals and entities licensed under  
12 this act observe common standards of decency, the commission  
13 shall, in consultation with the Association of Boxing

1 Commissioners, establish a professional code of ethical conduct  
2 for mixed martial arts promoters and fighters. Notwithstanding  
3 any other provision of this code, *upon receiving a complaint*, the  
4 commission shall enforce the code of ethical conduct and may  
5 suspend, revoke, or refuse to issue or renew the license of any  
6 mixed martial arts promoter or fighter that it finds has violated  
7 this code of conduct. Violations of this code shall include, but not  
8 be limited to, the following:

9 (a) Engaging in actions or activities such as acts resulting in  
10 felony convictions or convictions for crimes involving moral  
11 turpitude, sexual assault, ethnic or religious slurs, hate speech, or  
12 obscene language, failing to respond to a subpoena, or incurring  
13 sanctions imposed by a judge or court of law.

14 (b) Entering into a promotional contract *in California, or into*  
15 *a contract for a contest to take place in California*, with a mixed  
16 martial arts fighter licensed in the State of California if the contract  
17 contains one or more coercive provisions. For purposes of this  
18 section, a coercive contract provision includes, but is not limited  
19 to, a provision that does any of the following:

20 ~~(1) Assigns any exclusive future merchandising rights to a~~  
21 ~~promoter for an unreasonable period beyond the term of the~~  
22 ~~promotional contract.~~

23 ~~(2) Automatically renews a promotional contract or extends the~~  
24 ~~term without good faith negotiation, or extends the term of any~~  
25 ~~promotional contract of a fighter who participates in a~~  
26 ~~championship contest for a period greater than 12 months beyond~~  
27 ~~the existing contract termination period.~~

28 ~~(3) Unreasonably restricts a mixed martial arts fighter from~~  
29 ~~obtaining outside sponsorship from a firm, product, or individual.~~

30 ~~(4) Requires a mixed martial arts fighter to relinquish all legal~~  
31 ~~claims that the fighter has, or may acquire in the future, against~~  
32 ~~the promoter beyond assumption of the risks inherent in the sport~~  
33 ~~of mixed martial arts and the fighter's participation in pre and post~~  
34 ~~bout events and activities.~~

35 ~~(5) Requires a fighter to grant or waive any additional rights~~  
36 ~~not contained in the promotional contract as a condition precedent~~  
37 ~~to the fighter's participation in any contest.~~

38 ~~(1) Is for a period exceeding five years.~~

39 ~~(2) Automatically extends the term or conditions of the contract.~~

1 (3) *Requires a party to negotiate exclusively with the other*  
2 *party.*

3 (4) *Grants a party the right to match the term of an offer.*

4 (5) *Grants a party unrestricted rights to use the identity of the*  
5 *other party.*

6 SEC. 3. Section 18849 of the Business and Professions Code  
7 is amended to read:

8 18849. (a) No promoter *licensed in the State of California,*  
9 nor any person having a proprietary interest in the promoter, shall  
10 have, either directly or indirectly, any proprietary interest in a  
11 boxer or martial arts fighter competing on the premises owned,  
12 leased, or rented by the promoter without written approval from  
13 the commission.

14 (b) No promoter *licensed in the State of California* shall be  
15 entitled to receive any compensation directly or indirectly in  
16 connection with a contest until the promoter provides to the  
17 commission the following:

18 (1) A copy of any written agreement to which the promoter is  
19 a party with any professional athlete or contestant licensed under  
20 this act.

21 (2) A statement, made under penalty of perjury, that there are  
22 no other agreements, written or oral, between the promoter and  
23 the athlete with respect to that contest.

24 (3) All fees, charges, and expenses that will be assessed by or  
25 through the promoter on the athlete participating in the event,  
26 including any portion of the athlete’s purse that the promoter will  
27 receive.

28 (4) Any reduction in the athlete’s purse contrary to a previous  
29 agreement between the promoter and the athlete.

30 (c) Neither the commission nor any person acting on its behalf  
31 may disclose to the public any agreement furnished by a promoter  
32 under this section except to the extent required to comply with an  
33 order in a legal, administrative, or judicial proceeding.

34 SEC. 4. The Legislature finds and declares that Section 3 of  
35 this act, which amends Section 18849 of the Business and  
36 Professions Code, imposes a limitation on the public’s right of  
37 access to the meetings of public bodies or the writings of public  
38 officials and agencies within the meaning of Section 3 of Article  
39 I of the California Constitution. Pursuant to that constitutional  
40 provision, the Legislature makes the following findings to

1 demonstrate the interest protected by this limitation and the need  
2 for protecting that interest:

3 The Legislature finds and declares that the limitation upon the  
4 disclosure of contracts between promoters and mixed martial arts  
5 fighters is necessary to protect proprietary business and trade secret  
6 information.

7 SEC. 5. No reimbursement is required by this act pursuant to  
8 Section 6 of Article XIII B of the California Constitution because  
9 the only costs that may be incurred by a local agency or school  
10 district will be incurred because this act creates a new crime or  
11 infraction, eliminates a crime or infraction, or changes the penalty  
12 for a crime or infraction, within the meaning of Section 17556 of  
13 the Government Code, or changes the definition of a crime within  
14 the meaning of Section 6 of Article XIII B of the California  
15 Constitution.

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