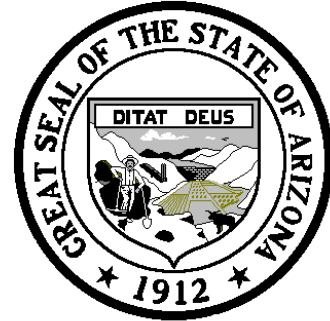


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Sunset Review of the  
Arizona State Boxing and  
Mixed Martial Arts Commission



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**Report**  
**November 2017**

**SENATE MEMBERS**

Senator Steve Smith, Co-Chair  
Senator David Farnsworth  
Senator Robert Meza  
Senator Catherine Miranda  
Senator Warren Peterson

**HOUSE MEMBERS**

Representative Jeff Wening, Co-Chair  
Representative Cesar Chavez  
Representative Todd Clodfelter  
Representative Diego Espinoza  
Representative Jill Norgaard

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## Background

Pursuant to [A.R.S. § 41-2953](#), the Joint Legislative Audit Committee assigned the sunset review of the Arizona State Boxing and Mixed Martial Arts Commission (Commission) to the Senate Commerce and Public Safety and the House of Representatives Commerce Committee of Reference (COR).

Laws 1982, Chapter 39, created the Arizona Boxing Commission, and Laws 2010, Chapter 269, changed the name to the Arizona State Boxing and Mixed Martial Arts Commission. Laws 2015, Chapter 19, placed the Commission under the Department of Gaming, Division of Racing. Finally, Laws 2016, Chapter 22, continued the Commission for two years, until July 1, 2018.

The Commission consists of three members appointed by the Governor and confirmed by the Senate to serve 3 year terms. Statute prohibits a commissioner from promoting, sponsoring or having any financial interest in a boxer, contest or the premises leased for a boxing contest ([A.R.S. § 5-223](#)). The purpose of the Commission is to provide the best protection for all interested parties in the sports of boxing, kickboxing and mixed martial arts. The Commission licenses fighters, promoters, trainers, managers and officials to ensure that all laws and rules are followed ([A.R.S. § 5-228](#)).

The Commission is statutorily required to adopt rules consistent with the New Jersey Athletic Commission (for MMA) and adopted unified rules created by the Association of Boxing Commissions (ABC), which serve as a baseline standard ([A.R.S. § 5-225](#)). Additionally, the Commission is currently reviewing all rules and will expand them to include other unarmed combat sports such as kickboxing, Muay Thai, and Toughman. According to the Commission, the revisions will ensure the financial and physical protection of participants.

The Commission requires \$20,000 cash or surety bond annually from promoters as well as \$20,000 medical coverage and \$50,000 life insurance coverage for combatants to ensure financial protection ([A.R.S. § 5-233](#)). In FY 2016, the Commission issued a total 1,119 licenses, 847 were combatants; sanctioned 39 events and 307 bouts.

The resources for the Commission come from monies appropriated to the Department of Gaming from the Racing Regulation Fund consisting of all revenues derived from permittees, permits and licenses, plus grants or donations ([A.R.S. 5-113.01](#)) and from the nonrefundable fees paid by promoters. ([A.R.S. § 5-224](#)).

### *Other States*

According to the Commission, 48 states have boxing and/or MMA commissions. Delaware and Alaska do not have either. Delaware depends on other state commissions for licensing, but has its own laws and rules for in-state events. Alaska repealed its statutes in 2002, but still permits boxing and MMA fights.

## **Committee of Reference Sunset Review Procedures**

The COR held one public meeting on Tuesday, November 14, 2017, to review and consider the Arizona State Boxing and MMA's responses to the sunset factors (See *Appendix A*) and to receive public testimony (See *Appendix C*). Testimony was received from Dan Bergin Director of the Arizona Department of Gaming, and Aiden Fleming from the Arizona Department of Gaming.

A video recording of the committee can found at:

[http://azleg.granicus.com/MediaPlayer.php?clip\\_id=19949](http://azleg.granicus.com/MediaPlayer.php?clip_id=19949)

## **Committee Recommendations**

The Committee of Reference recommended that the Legislature continue the Arizona Boxing and Mixed Martial Arts Commission for eight years.

**ARIZONA DEPARTMENT OF GAMING – BOXING & MMA COMMISSION 2017  
RESPONSES TO SUNSET FACTORS**

**1. The objective and purpose in establishing the agency and the extent to which the objective and purpose are met by private enterprises in other states.**

In 1982, the Arizona State Legislature established the Arizona State Boxing Commission, the predecessor of the Arizona Boxing and Mixed Martial Art Commission (the “Commission”), to “provide the greatest possible protection, both physical and financial, to participants and persons interested in the sport of boxing.” Arizona Session Laws 1982, Chapter 39, § 1.

Forty-eight other states have boxing and/or mixed martial arts (MMA) commissions, with Delaware and Alaska being the only states that have neither. Delaware relies on other states’ boxing and MMA commissions for licensing, and has its own statutes and regulations for events held within the state. Alaska disbanded its boxing commission in 2002, and the rules established under its commission are no longer enforced, but the state still allows boxing and MMA fights. Thus far, this has been disastrous for boxing and MMA in Alaska. Professional MMA associations refuse to conduct operations in Alaska, conflicts of interest are far more likely (e.g. the referee for the match being related to one of the combatants), and safety concerns are not met. For example, while matchmakers in Arizona and other states with boxing commissions have regulations and statutory provisions detailing how the matchmaker is to determine bouts, Alaska lacks such regulation and legislation. This means matchmakers in Alaska can pair two combatants of dissimilar weight and skill together, increasing the potential for injury and unfair matchups.

Historically, in states where unarmed combat sports were neither regulated by a state commission nor outright banned, the health and safety of combatants have been at the mercy of private enterprises, namely promoters. However, with no state mandates or no way of enforcing any mandates, promoters have little to no reason to implement safety measures; on the contrary, promoters have taken shortcuts in order to cut their costs and maximize profits. For example, promoters might not require medical examinations for combatants, which means a combatant with a concussion might not be screened for his concussion, enter a match, and risk further injury or even death. The lack of medical examinations would also significantly increase the risk of blood borne pathogens being spread from one combatant to another, or even the public, should any contaminated blood splash onto the audience.

**2. The extent to which the agency has met its statutory objective and purpose and the efficiency with which it has operated.**

During fiscal year 2016, the Commission issued 1,119 licenses, 847 of which are combatants, and sanctioned thirty-nine events and 307 bouts. The Commission licenses applicants as efficiently as possible, with most professions having an average approval timeframe of twenty-four hours. The only professions with longer approval timeframes are matchmakers and both individual and corporate promoters, with average approval timeframes of thirty days. The Commission is currently undergoing an assessment in connection with implementation of the Arizona Management System, which should make the Commission even more efficient in licensing and other areas.

The Commission has adopted rules and complied with its enabling statute to protect the safety and financial interests of participants and persons interested in unarmed combat sports. The safety of

boxing and MMA participants is protected with strict rules and a substantive policy statement adopted by the Commission. The Commission has adopted rules that based on the unified rules of boxing (the “Unified Rules”). The Unified Rules were created by the Association of Boxing Commissions (ABC) and are designed to be a baseline standard for boxing commissions to adopt. Both the Unified Rules and the Commission’s rules contain a “Mandatory Eight Count,” which occurs when a combatant is knocked down during a fight. The fight is paused until the referee counts to eight. Where the rules differ, the Commission’s rules are stricter than the Unified Rules. This increases safety for the boxers. For example, the Unified Rules do not have a Three Knockdown Rule, in which a boxer who is knocked down three times in one round is considered to have lost, while the Commission has a Three Knockdown Rule for all matches except championship contests.. The Commission’s rules prevent a combatant who is getting knocked down frequently from exacerbating any potential injuries, thus increasing the safety of boxing matches.

The Commission also has a substantive policy statement that outlines the rules for MMA matches in Arizona. (the “MMA Rules”). The MMA Rules were adopted to ensure the practice of keeping all athletes who engage in combative sports safe and protected. These rules contain amendments which serve to make MMA matches safer.

In addition, the Commission is currently reviewing its rules for both boxing and MMA, and plans to expand its rules to include other unarmed combat sports such as kickboxing, Muay Thai, and Toughman. This revision will serve to further ensure the financial and physical protection of participants and people interested in unarmed combat sports.

The financial interests of participants is protected through two means. First, the Commission requires cash or surety bonds from promoters. The Commission requires promoters to pay a \$20,000 cash or surety bond annually, and in some cases it requires an additional event cash or surety bond. These bonds ensure the promoter will fulfill the established duties or else be liable for the amount of the bond(s). Second, the Commission’s enabling statute protects the financial interests of combatants by requiring that promoters provide medical and life insurance coverage for combatants. This insurance must cover at least \$20,000 in medical bills for injuries sustained in a fight, with a \$25 deductible. The life insurance must also pay out at least \$50,000 in case of accidental death from injuries sustained in the ring. These provisions ensure that a combatant who is injured or dies while fighting in the ring and his/her dependents will have some financial protection, and therefore their financial interests are protected.

### **3. The extent to which the agency serves the entire state rather than specific interests.**

By regulating boxing, MMA, and the professions related to those sports, the Commission serves the entire state. The Commission’s rules and regulations for boxing and MMA are designed to assure the public that the sports are conducted in a manner that is as fair and safe as possible. The Commission’s licensing assures the public that only competent professionals are allowed to work in the industry. The Commission also serves the entire state by contracting with tribal entities to regulate boxing and MMA contests on the tribes’ reservations, because the tribes lack in-house commissions to regulate the contests themselves.

To date, the Commission has licensed twelve promoters: ten corporations and two individuals. The competition between promoters is intense, yet the Commission remains impartial to the individual agendas of each promoter and focuses only on ensuring that each promoter is held accountable for that promoter's responsibilities.

The Commission collects four percent of the gross receipts that promoters earn, which in turn is deposited into the state general fund, to be used in its entirety for the benefit of the state.

**4. The extent to which rules adopted by the agency are consistent with the legislative mandate.**

The Commission is authorized to adopt and issue rules “to carry out the purposes of [A.R.S. Title 5, Chapter 2].” The Commission may also adopt rules to regulate boxing and MMA contests, although the rules for MMA contests must be consistent with or in addition to “the mixed martial arts unified rules adopted by the New Jersey state athletic control board,” with two minor exceptions.

In 2011, A.A.C. R4-3-413 was updated under exempt rulemaking. This was done to update the Commission’s licensing fee amounts. This update is the most significant rulemaking in which the Commission has engaged in recent years. The Commission is currently in the process of revising its rules, and will ensure that any rules it adopts are consistent with its legislative mandate.

**5. The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.**

The Commission is currently revising its rules, and will adopt any revised rules by following the necessary procedures as required by law and the Governor’s Regulatory Review Council (“GRRC”), including encouraging public input. In the past, the Commission has conferred with experts in unarmed combat sports during the drafting process, and has held public hearings on aspects of the rules, over and above what is required by law.

**6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.**

Since 2009, the Commission has investigated and resolved twenty-three positive drug test findings under the power granted to the Commission by A.R.S. § 5-235.01(C). The Commission receives a handful of complaints each month regarding illegal fights taking place, which the Commission resolves as efficiently as possible. For example, in March of 2017, the Commission received a complaint about an establishment holding illegal MMA-style fighting matches. The issue was investigated and resolved in about a month. The Commission has the power to investigate and resolve these complaints under A.R.S. §§ 5-235.01(B)(3) and 5-236.

**7. The extent to which the attorney general or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.**

Under A.R.S. § 5-235.01(E), the Commission, the attorney general, or any county attorney may file a suit in “the superior court in the county in which acts or practices of any person that constitute a violation of this chapter or the rules adopted pursuant to this chapter are alleged to have occurred for an order enjoining those acts or practices.” The Commission may also impose civil penalties for various violations of the laws and rules governing the Commission, under A.R.S. § 5-235.01(A)(3), (B). Finally,

A.R.S. § 5-236 states that a person can be charged with a class 2 misdemeanor if the person “[c]onducts, holds, sponsors, sanctions or gives boxing or other contests that are subject to regulation by the [C]ommission or participates in any contest that is subject to regulation by the[C]ommission,” without obtaining the appropriate license(s), or otherwise violates any statutory provision under A.R.S. Chapter 5 or rule adopted by the Commission.

**8. The extent to which agencies have addressed deficiencies in their enabling statutes that prevent them from fulfilling their statutory mandate.**

The Commission’s most significant statutory deficiency is its limitation in adopting MMA rules, which, according to A.R.S. § 5-225(C), must be consistent with the MMA rules adopted by the New Jersey State Athletic Control Board (“New Jersey”). This provision was added in 2010 because New Jersey was the first state agency to adopt rules for MMA matches. However, given advancements made in MMA since then, and with knowledgeable organizations, such as the ABC, developing and updating MMA rules to reflect such advancements, this provision arbitrarily limits the Commission’s ability to adopt MMA rules and does not allow the Commission to adopt and revise MMA rules that reflect current conditions in MMA. Nor does this provision allow the Commission to serve the interests specific to the people of Arizona. Instead, the Commission is tied to the interests of an entirely separate jurisdiction. The Commission intends to pursue a statutory amendment to remove this dependency on New Jersey’s rules.

**9. The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in this subsection.**

Various changes in the Commission’s enabling statutes are necessary to help the Commission fulfill its objective and purpose. The Commission’s authorization to adopt MMA rules should be amended to allow the Commission to adopt MMA rules it deems appropriate, not just those consistent with the rules adopted by New Jersey. This amendment would allow more flexibility for MMA associations to participate in Arizona, increasing the number of events held in Arizona and increasing revenue to the state through gross receipts. The amendment would also ensure Arizona is up to date with advancements made in MMA rules by other states and by the ABC, which may be better than, but inconsistent with, the MMA rules adopted by New Jersey. In addition, the amendment would allow the Commission to better serve the people of Arizona by establishing rules that the people of Arizona helped create through rulemaking, rather than use rules that were created in a different jurisdiction by people with different interests from those in Arizona.

The Commission’s enabling statutes have been in need of a general review to update provisions that have not been updated for some time. Some provisions have not been updated since the 1980s, and one has not even been touched since the 1960s. For example, A.R.S. §§ 5-231 and 5-234 have not been updated since 1982; and A.R.S. § 5-237 has not been updated since its addition in 1964. A general review will help the Commission determine how to better regulate and license unarmed combat sports in a way that reflects the current landscape of that industry, which is subject to rapid changes and evolution.

One suggestion is that the Commission’s enabling statute should be amended to include pay-per-view (“PPV”) and internet streaming taxes. A PPV tax, such as Pennsylvania’s, can be levied on “producers” who charge or receive a fee for having a contest viewed through a pay-per-view telecast via



cable television. Pennsylvania's tax applies only to PPV telecasts in Pennsylvania, in order to avoid First Amendment issues, and is equal to a small percentage of the producer's gross receipts attributable to the individual pay-per-view telecast fees. A tax such as this would help the Commission increase its revenue, which could help in making the Commission self-sufficient and able to fully cover the cost of regulation. As of 2009, fourteen state boxing commissions had enacted PPV taxes. Similarly, an internet streaming tax, such as New York's, would levy a small tax on promoters' gross receipts from digital streaming over the internet. This too could help the Commission become self-sufficient, and allow the Commission to cover the cost of regulating the industry.

**10. The extent to which the termination of the agency would significantly affect the public health, safety or welfare.**

Terminating the Commission would likely leave the health and safety of combatants in the hands of promoters, who may have incentives to take shortcuts to increase their profits, at the expense of the welfare of combatants and the public." Such shortcuts include not requiring medical examinations for combatants to ensure they are fit to participate, not providing proper medical staff at events, not obtaining health insurance for the combatants, and using little to no safety equipment.

Terminating the Commission could also serve to strengthen the idea that the federal government needs to step in and be the regulating body for unarmed combat sports. Congress has already proposed several bills to establish a federal boxing commission, but thus far has been unsuccessful in passing them. Should Congress establish a federal boxing commission, this would remove the State's ability to more effectively care for its citizens' health, safety, and welfare, and put it in the hands of the federal government.

The Commission is necessary because new unarmed combat sports arise frequently, and without a commission to regulate them, the public health, safety, and welfare could be endangered. Without regulation or ways to enforce those regulations, promoters of new unarmed combat sports have little to no interest in assuring the combatant's safety.

**11. The extent to which the level of regulation exercised by the agency compares to other states and is appropriate and whether less or more stringent levels of regulation would be appropriate.**

The level of regulation currently exercised by the Commission varies when compared to other states. In a small number of cases, Arizona may have more or stricter regulations, while, in most instances, Arizona regulates in a far more limited manner than its counterparts.

For example, Nevada not only has substantially more regulations, but these regulations tend to be far stricter than those of Arizona. Unarmed combatants face a much harsher application process, promoters must adhere to increased requirements, such as a requirement to provide emergency medical equipment, and specifics for equipment are thoroughly spelled out in Nevada's Administrative Code.

Similarly, Colorado and Montana have significantly more thorough regulations, covering topics such as competitor blood pressure, to limitations on what can be done to combatant's gloves per-fight, to the implementation of their own MMA rules in their regulations. The majority of these regulations serve to not only ensure the health, safety, and welfare of the public and combatants, they also ensure that the integrity of unarmed combat is maintained.

When compared to other states, it is likely that more stringent, yet efficient, levels of regulation would be appropriate for Arizona. As mentioned, the Commission is currently conducting a substantial rules review, to determine areas in which it can increase protection for those individuals involved with unarmed combat in Arizona, while removing antiquated or over-burdensome regulation.

**12. The extent to which the agency has used private contractors in the performance of its duties as compared to other states and how more effective use of private contractors could be accomplished.**

All individuals and corporations licensed by the Commission are private contractors. This is similar to how most other state boxing/MMA commissions license individuals and corporations. One notable exception to this is Nevada, which employs its referees, judges, timekeepers, and ringside physicians.

**13. The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the committee of reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and businesses to operate efficiently and increasing the cost of government.**

The method used to fund the Commission's operations creates unexpected negative consequences on other agencies and the abilities of professionals in unarmed combat sports to effectively regulate. The levy on gross receipts imposed by A.R.S. § 5-104.02 is not dedicated to the Commission; rather, this levy is paid to the Department of Gaming and is ultimately deposited into the State's general fund. The Commission is instead funded by the Division of Racing ("Racing").

The Commission's reliance on Racing has negative consequences for Racing. The funds spent on the Commission could be spent on more personnel and resources for Racing, allowing it to more effectively and efficiently license professionals, enforce its statutes and regulations, and maintain the integrity of racing in Arizona.

Being reliant on Racing has caused the Commission to be artificially small. The Commission only has two staff that deal exclusively with matters related to unarmed combat sports, and despite being consolidated with Racing under the umbrella of the Department of Gaming, there are budgetary limitations on the sharing of staff and resources.

This limitation puts a burden on the Commission's staff in licensing individuals and corporations. While the Commission is able to process most license applications efficiently, individual and corporate promoters suffer from a longer approval timeframe due to the limited funding by Racing and the two staff members needing to attend to other matters. Promoters run events, create jobs, generate revenue for state government, and boost Arizona's economy. If they are dissuaded from applying for a promoter license in Arizona due to processing delays, they will likely take their business to other states.

One specific detriment is the lack of funding for investigators to handle Commission violations, such as the promotion of unlicensed events. As with licensing, the Commission investigates and resolves complaints as efficiently as it can. However, the Commission's small staff and other duties mean complaints are not handled as efficiently as they could be.

By detaching the Commission from Racing, the Commission may become closer to becoming a self-sufficient function. Many state boxing/MMA commissions are self-sufficient, such as Pennsylvania's

State Athletic Commission. While the Commission may need help initially, a boost in initial funding would help the Commission bring more promoters and events to Arizona. More promoters and events coming to Arizona would help the Commission achieve self-sufficiency through increased revenue, but more importantly, economic activity in the state would increase. One UFC event in the New York metropolitan area alone generated \$37.4 million in economic output, \$18.3 million in salaries and wages, 300 jobs, and \$1.6 million in taxes.

To eliminate these negative consequences, and to better serve Arizona and the public, the Commission may need to be detached from being funded by the horse racing industry and be helped through statutory enactments to develop additional sources of revenue to accomplish self-sufficiency.

### **Additional Factors**

#### **1. Identify the problem or the needs that the agency is intended to address.**

The Boxing and MMA Commission is intended to protect the personal and financial safety of participants of and people interested in boxing and MMA.

#### **2. State, to the extent practicable, in quantitative and qualitative terms, the objectives of the agency and its anticipated accomplishments.**

The Commission, under the umbrella of the Department of Gaming, is currently creating its 5-year strategic plan, and will determine its objectives and anticipated accomplishments, both qualitative and quantitative, in late 2017. The Commission also anticipates revising its rules and amending its statutes during the next two years, to better reflect the modern landscape of combat sports.

#### **3. Identify any other agencies having similar, conflicting or duplicative objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.**

As a commission tasked with regulating and licensing combat sports, there are no other agencies in Arizona that have similar, conflicting, or duplicative objectives.

#### **4. Assess the consequences of eliminating the agency or of consolidating it with another agency.**

Eliminating the Commission would be dangerous for the public health, safety, and welfare of Arizona and the integrity of unarmed combat sports. As previously mentioned, without any commission to regulate unarmed combat sports, Arizona would leave the health and safety of competitors in the hands of promoters who have incentives to take shortcuts to increase their profits at the expense of the welfare of competitors and the public. Promoters would have no reason to develop or implement any safety requirements. There would be no testing for blood borne pathogens, putting combatants and the public at risk of contracting these pathogens from simply attending an event. Combatants would not be tested for drugs or alcohol, putting combatants with hampered abilities into the ring and risking serious injury or death. Combatants would not be screened for their fighting record, meaning a combatant who has recently participated in a bout and suffered a concussion could be allowed to fight the next day, risking further

injury or even death. Safety equipment would not need to meet basic minimums, meaning old, worn out equipment could be used. Medical staff would not need to be ringside to determine if a combatant can no longer fight, or give medical attention to injured combatants. Officials would not need to call a match if a combatant is clearly outmatched or seriously injured. Combatants would not be required to have corner support, meaning the combatant would be on their own for recovery during a break and for throwing in the towel. These consequences require Arizona to fulfill its duty to protect the public health, safety, and welfare by not eliminating the Commission.

This could also provide the federal government with an example of why it needs to become the sole regulator of unarmed combat sports in the United States. As previously mentioned, Congress has already tried to pass legislation establishing a federal boxing commission. Although these bills have failed, a lack of effective state regulation could help convince Congress that it needs to step in and regulate unarmed combat sports.

Consolidating the Commission with another agency is unnecessary because the Commission is already consolidated with Racing, which is under the umbrella of the Department of Gaming. As previously mentioned, however, this consolidation has caused some negative consequences for Racing, the Commission, and the Commission's licensees. The funds spent on the Commission could be spent on more personnel and resources for Racing, allowing it to more efficiently license professionals, enforce its statutes and regulations, and maintain the integrity of racing in Arizona. The Commission, being artificially small from its funding limits, is limited in its capacity to license individuals and corporations. This creates a long approval timeframe for promoters, which turns away potential events from Arizona and deprives the state of increased economic activity. The Commission is also hampered in investigating and resolving complaints, limiting the abilities of licensed professionals in doing their jobs until the complaints are resolved.

# ARIZONA STATE LEGISLATURE

## INTERIM MEETING NOTICE OPEN TO THE PUBLIC

### SENATE COMMERCE AND PUBLIC SAFETY AND HOUSE COMMERCE COMMITTEE OF REFERENCE FOR THE SUNSET REVIEW OF THE: ARIZONA STATE BOXING AND MARTIAL ARTS COMMISSION AND ARIZONA COMMERCE AUTHORITY

**Date:** Tuesday, November 14, 2017

**Time:** 09:00 A.M.

**Place:** HHR 1

#### AGENDA

1. Call to Order
2. Roll Call
3. Sunset Review of the Arizona State Boxing and Mixed Martial Arts Commission
  - Presentation by the Arizona State Boxing and Mixed Martial Arts Commission - Daniel Bergin, Director of the Arizona Department of Gaming
  - Public Testimony
  - Discussion and Recommendations by the Committee of Reference
4. Sunset Review of the Arizona Commerce Authority
  - Presentation by the Arizona Commerce Authority - Sandra Watson, President of the Arizona Commerce Authority
  - Public Testimony
  - Discussion and Recommendations by the Committee of Reference
5. Adjourn

#### Members:

Senator Steve Smith, Co-Chair  
Senator David C. Farnsworth  
Senator Robert Meza  
Senator Catherine Miranda  
Senator Warren Petersen

Representative Jeff Weninger, Co-Chair  
Representative César Chávez  
Representative Todd A. Clodfelter  
Representative Diego Espinoza  
Representative Jill Norgaard

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**People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.**

# ARIZONA STATE LEGISLATURE

## SENATE COMMERCE AND PUBLIC SAFETY AND HOUSE COMMERCE COMMITTEE OF REFERENCE FOR THE SUNSET REVIEW OF THE: ARIZONA STATE BOXING AND MARTIAL ARTS COMMISSION AND ARIZONA COMMERCE AUTHORITY

Minutes of the Meeting  
November 14, 2017  
9:00 a.m., House Hearing Room 1

### Members Present:

Senator David C. Farnsworth  
Senator Robert Meza  
Senator Catherine Miranda  
Senator Warren Petersen

Representative Jeff Weninger, Co-Chair  
Representative César Chávez  
Representative Todd A. Clodfelter  
Representative Diego Espinoza

### Members Excused:

Senator Steve Smith, Co-Chair  
Representative Jill Norgaard

### Staff:

Grant Hanna, Senate Research Staff  
Katy Proctor, House Research Staff

Co-Chairman Weninger called the meeting to order at 9:08 a.m. and attendance was noted.

## SUNSET REVIEW OF THE ARIZONA STATE BOXING AND MIXED MARTIAL ARTS COMMISSION

### Presentation by the Arizona State Boxing and Mixed Martial Arts Commission

**Dan Bergin, Director, Arizona Department of Gaming**, distributed and explained a handout entitled "Arizona Boxing & Mixed Martial Arts Commission" (Attachment A) and "FY 2017 Boxing / MMA Cash Flow" (Attachment B). Mr. Bergin further explained the efforts to streamline both physical and financial protections.

**Aiden Fleming, Arizona Department of Gaming**, answered questions posed by the Committee and expressed his strong support for the continuation of the Arizona State Boxing and Mixed Martial Arts Commission.

### Public Testimony

Representative Weninger asked the audience for public testimony, however, no one came forward.

The Committee shared their comments for the topic mentioned above.

## **Recommendation by the Committee of Reference**

Representative Weninger requested a motion on the continuation of the Arizona State Boxing and Mixed Martial Arts Commission.

**Representative Clodfelter moved that the Commerce Committee of Reference recommend the Arizona State Boxing and Mixed Martial Arts Commission be continued for eight-years. The motion CARRIED by voice vote.**

## **SUNSET REVIEW OF THE ARIZONA COMMERCE AUTHORITY**

### **Presentation by the Arizona Commerce Authority**

**Sandra Watson, President & CEO, Arizona Commerce Authority**, distributed and explained a PowerPoint presentation entitled “Arizona Commerce Authority” (Attachment C) and answered questions posed by the Committee.

### **Discussion and Recommendation by the Committee of Reference**

**Senator Miranda moved the motion to an eight-year continuation. The motion was seconded by Senator Meza.**

**Senator Petersen moved a substitute motion that the Committee would continue on with the hearing and testimony. The substitute motion was seconded by Senator Farnsworth.**

Representative Weninger made comments.

**The motion CARRIED by voice vote.**

Ms. Watson answered additional questions posed by the Committee.

The Committee shared their concerns and comments for the topic mentioned above.

### **Public Testimony**

**Glenn Hamer, President & Chief Executive Officer, Arizona Chamber of Commerce**, testified in support and made comments on the importance of reauthorizing the Arizona Commerce for Authority for eight years.

**Steven Zylstra, President & Chief Executive Officer, Arizona Technology Council**, testified in support of the reauthorization for the Arizona Commerce Authority.

### **Discussion and Recommendation by the Committee of Reference – (continued)**

The Committee provided comments.

**Representative Espinoza moved the motion for eight-years. The motion was seconded by Senator Miranda.**

**Senator Petersen moved a substitute motion that the Commerce Committee of Reference recommend the Arizona Commerce Authority be continued for eight-years. Additionally, codify in statute one FTE dedicated to Rural Economic Development and one FTE dedicated to Small Business Growth, Support as Regulatory and Ombudsman and advocate for work with city, county and state agencies. Increase reporting requirements to address Rural economic development capital gains and successes, including site visits and small business capital gains and successes, including site visits. The substitute motion was seconded by Representative Clodfelter.**

Representative Weninger made further comments.

**Senator Petersen requested a roll call vote. The motion CARRIED with a roll call vote of 6-2-2 (Attachment 1).**

Senators Farnsworth and Petersen explained their votes.

Attached are the forms noting the individuals who submitted a Speaker slip on the agenda items (Attachment D).

There being no further business, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Imee L. Andrew  
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)