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# Sunset Evaluation Update: Boxing Contests

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A Report to the  
Governor  
and the  
Legislature of  
the State of  
Hawai'i

Report No. 94-8  
September 1994



**THE AUDITOR**  
STATE OF HAWAII

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## The Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawaii State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

Under its assigned missions, the office conducts the following types of examinations:

1. *Financial audits* attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.
2. *Management audits*, which are also referred to as *performance audits*, examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called *program audits*, when they focus on whether programs are attaining the objectives and results expected of them, and *operations audits*, when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.
3. *Sunset evaluations* evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.
4. *Sunrise analyses* are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.
5. *Health insurance analyses* examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.
6. *Analyses of proposed special funds* and existing *trust and revolving funds* determine if proposals to establish these funds and existing funds meet legislative criteria.
7. *Procurement compliance audits* and other *procurement-related monitoring* assist the Legislature in overseeing government procurement practices.
8. *Fiscal accountability reports* analyze expenditures by the state Department of Education in various areas.
9. *Special studies* respond to requests from both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawaii's laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.



## THE AUDITOR STATE OF HAWAII

Kekuanao'a Building  
465 South King Street, Room 500  
Honolulu, Hawaii 96813

# OVERVIEW

THE AUDITOR  
STATE OF HAWAII

## Sunset Evaluation Update: Boxing Contests

### Summary

We evaluated the regulation of boxing contests under Chapter 440, Hawaii Revised Statutes (HRS), and conclude that the public interest is best served by continuation of the statute.

Unlike other regulatory programs, the purpose of regulating boxing contests is to protect the boxers rather than consumers. Serious injury or death has resulted from boxing contests. Under Chapter 440, no one may conduct a boxing contest or be a participant in these contests without being licensed. Even with licensing, boxing represents a risk to participants. Regulation merely reduces the risk of injury.

A five-member State Boxing Commission has jurisdiction and control over all professional and amateur boxing contests in Hawaii. The commission is placed for administrative purposes in the Department of Commerce and Consumer Affairs. The department's Professional and Vocational Licensing Division provides administrative support to the commission.

Our evaluation found that boxing contests and some of its participants should continue to be regulated to protect the contestants. Licensing requirements for amateur promoters, timekeepers, and matchmakers, however, are unnecessary. Further, the statutes and rules should be amended to reflect the current practices of the commission and to remove requirements that are unnecessary. We also found that the Boxing Commission is not consistently enforcing licensing requirements for boxers and ring officials.

### Recommendations and Response

We recommend that the Legislature continue the regulation of boxing contests under Chapter 440. We also recommend that the Legislature amend Chapter 440 to: (a) eliminate licensing requirements for amateur promoters, timekeepers, and matchmakers, (b) eliminate the requirement that professional promoters submit a credit report, current financial statement certified by a certified public accountant, tax clearance, and surety bond to obtain a promoters license, (c) eliminate the requirement for trust or escrow accounts for promoters to meet their financial obligation, and (d) allow the commission to determine the appropriate method of assuring proper payment of promoters' obligations and the frequency of health and safety clinics for boxing.

We further recommend that the commission amend its rules to eliminate unnecessary licensing requirements and ensure that the licensing requirements for professional boxers and referees are consistently enforced.

The commission agreed with or supported all our recommendations. In addition to eliminating the licensing requirements for amateur promoters, timekeepers, and matchmakers, the commission suggested that the licensing of amateur boxing seconds should be eliminated because the seconds are not compensated for their services.

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**Marion M. Higa**  
State Auditor  
State of Hawaii

Office of the Auditor  
465 South King Street, Room 500  
Honolulu, Hawaii 96813  
(808) 587-0800  
FAX (808) 587-0830

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# **Sunset Evaluation Update: Boxing Contests**

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A Report to the  
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Legislature of  
the State of  
Hawaii

Submitted by

**THE AUDITOR**  
STATE OF HAWAII

Report No. 94-8  
September 1994



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## Foreword

This report evaluates the regulation of boxing contests under Chapter 440, Hawaii Revised Statutes. This evaluation and repeal of the chapter had been scheduled under the Sunset Law. Subsequently, Act 279 of 1994 removed the repeal date and with it the evaluation requirement. Nevertheless, since the work had already been done, we are issuing the report to help decision makers in assessing the regulatory program.

The report presents our findings as to whether the regulatory program complies with policies in the Sunset Law and whether there is a reasonable need to regulate boxing contests to protect the health, safety, and welfare of the public. It includes our recommendation on whether the program should be continued, modified, or repealed. The report incorporates in the Appendix the draft legislation to improve the program.

We wish to express our appreciation for the cooperation of the Hawaii State Boxing Commission and others whom we contacted during the course of our evaluation. We appreciate also the assistance of the Legislative Reference Bureau, which drafted the recommended legislation.

Marion M. Higa  
State Auditor





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# Chapter 1

## Introduction

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The Sunset Law, or the Hawaii Regulatory Licensing Reform Act, Chapter 26H, Hawaii Revised Statutes, establishes policies for occupational licensing. The law directs the State Auditor to evaluate licensing statutes scheduled for repeal to determine whether the health, safety, and welfare of the public are best served by reenactment, modification, or repeal.

This report evaluates whether the regulation of boxing contests under Chapter 440, HRS, complies with policies for occupational licensing in the Sunset Law. After our work was substantially completed, Act 279 of 1994 removed the December 31, 1995 repeal date for Chapter 440 and made the chapter permanent. However, we are still issuing the report to assist decision makers in assessing the regulatory program.

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## Background on Boxing Contests

Boxing is a contest between two participants who fight with padded gloved fists in a roped-in square. Since 1982, the popularity of boxing in Hawaii has declined dramatically. The number of licensed professional boxers has decreased from a peak of 181 in 1981 to less than 20 in recent years.<sup>1</sup>

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## Regulatory Program

Chapter 440, HRS, regulates boxing contests in Hawaii. No one may conduct a boxing contest or be a participant in these contests without being licensed by the Boxing Commission. The five-member commission is appointed by the governor, who also appoints one of the members as chairperson. One member of the commission must be a member of the Hawaiian association of an amateur athletic federation of the United States of America. The members serve without compensation.

The commission is placed for administrative purposes in the Department of Commerce and Consumer Affairs (DCCA). The director of DCCA appoints deputy commissioners and employs inspectors to act as official representatives at boxing contests that are under the direction and control of the commission. An executive officer in the department's Professional and Vocational Licensing Division serves as staff to the commission and administers its day-to-day operations.

The commission has jurisdiction and control over all professional and amateur boxing in the state. No boxing contest can be held without the

commission's approval and the commission has rules governing the conduct of such contests. It licenses promoters, ring physicians, referees, judges, matchmakers, managers, timekeepers, seconds, and professional boxers.

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## Previous Sunset Report

Our previous sunset evaluation of boxing contests in 1986 recommended that Chapter 440 be reenacted to continue the regulation of boxing contests.<sup>2</sup> To clarify the commission's scope of authority, we recommended that boxing be statutorily defined and that specific grounds be established for taking disciplinary actions. We also recommended that the commission establish a trust/escrow account system to assure payment to boxing contest participants and commission officials. If the trust/escrow accounts were established, requirements for financial reports and performance bonds from promoters could be reduced.

We recommended that the licensing examinations be revised and written licensing examinations be required for judges, referees, managers, and seconds. We also recommended that announcers no longer be licensed.

To further protect the health and welfare of the boxer, we recommended that the commission mandate a neurological examination for boxers who are knocked out and that an eye examination by an ophthalmologist be part of the annual medical examination. We also recommended that the commission conduct seminars and clinics on medical safety for boxers.

Finally, we suggested that the commission request a legal opinion regarding the deduction of money from boxers' purses for the Hawaii Boxers Welfare Association and an opinion from the State Ethics Commission regarding complimentary tickets from promoters. We also recommended that the commission maintain a public record accounting for the distribution of ringside seats.

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## Objectives of the Evaluation

This evaluation sought to determine whether the regulation of boxing contests complies with policies in the Sunset Law. Specifically, the objectives were to:

1. Determine whether there is a reasonable need to regulate boxing contests to protect the health, safety, and welfare of the public;
2. Determine whether current regulatory requirements are appropriate for protecting the public;

3. Establish whether the regulatory program is being implemented effectively and efficiently; and
  4. Recommend improvements based on findings in these areas.
- 

## **Scope and Methodology**

We reviewed the literature on boxing contests and their regulation. We reviewed statutes and rules on boxing contests in Hawaii and the changes to them since our last sunset evaluation in 1986. We also reviewed evidence of harm including complaints. We interviewed members of the Boxing Commission and personnel from DCCA and obtained information from the United States of America/Amateur Boxing Federation. Additionally, we reviewed DCCA files on licensing, enforcement, correspondence, and commission operations. We attended one professional boxing contest, and we observed one of the licensing examinations.

Our work was performed from January 1994 through July 1994 in accordance with generally accepted government auditing standards.



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# Chapter 2

## Findings and Recommendations

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Most of the recommendations made in our 1986 sunset evaluation have been implemented. For example, Chapter 440, Hawaii Revised Statutes, was amended to define boxing; establish specific grounds for taking disciplinary actions; formalize examinations for judges, referees, managers, and seconds; and mandate neurological examinations for boxers who are knocked out. In this report, we recommend continuing the regulation of boxing and amending the law further to simplify regulation and make it more effective.

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### Summary of Findings

1. Boxing contests and some of the participants in these contests should continue to be regulated to protect the contestants.
2. Licensing requirements for amateur promoters, and for timekeepers and matchmakers, are unnecessary.
3. The Boxing Commission is not consistently enforcing licensing requirements for boxers and ring officials.
4. The statute and rules should be amended to reflect current practices.

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### State Should Continue To Regulate Boxing Contests

Hawaii should continue to regulate boxing contests. Unlike other regulatory programs, the main purpose of this program is to protect the boxers instead of consumers. The intent of boxing is to injure the other contestant. Serious injury or death has resulted from boxing contests. The very nature and history of boxing demonstrates a need for continued regulation of boxing contests to protect the boxer. Even with licensing, boxing represents a risk to participants. Regulation merely reduces the risk of injury.

Boxers have been seriously or fatally injured in boxing contests. In a 1991 middleweight championship bout, one contestant collapsed and had to be carried from the ring. After a brain operation by a neurosurgeon, he remained in a coma on a life-support system for many weeks. In another contest, a boxer died of a brain injury after being knocked out. Still another boxer lapsed into a coma after losing a super flyweight championship match.

State regulation is designed to protect boxers by making sure that they are physically fit to fight and that the boxing contest will not be a mismatch. For example, the Boxing Commission arranged for a boxer to be released from his contract when he complained that his manager wanted him to fight even though he had not recovered from severe injuries suffered in a prior fight.

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## **Certain Licensing Requirements Are Unnecessary**

Although the State should continue to regulate boxing contests, some licensing requirements are unnecessary. Chapter 440 requires virtually all those involved with boxing contests to be licensed. This includes amateur promoters, timekeepers, and matchmakers. Licensing amateur promoters, timekeepers, and matchmakers is unnecessary, does not maintain safety in the ring, and does not protect the boxer.

### ***Licensing of amateur promoters***

Licensing of amateur promoters is superfluous and unnecessary. To be licensed, amateur promoters must have a signed agreement with the United States of America/Amateur Boxing Federation (USA/ABF), proof of medical insurance, and evidence of a \$5,000 surety bond. The signed agreement with the USA/ABF makes proof of medical insurance and the posting of a surety bond unnecessary.

USA/ABF is the national governing body that is responsible for developing and organizing amateur boxing. All members of USA/ABF must adhere to the rules of the organization. Medical insurance is provided to all boxers upon registration with USA/ABF. The \$5,000 surety bond is also unnecessary because boxers and ring officials participating in amateur boxing contests are not paid.

Although not yet formalized in the rules, the commission has turned control of amateur boxing over to the national federation. The commission intends to eliminate all rules governing amateur boxing and refer only to the rules of the national federation.

### ***Licensing of timekeepers and matchmakers***

The licensing of timekeepers and matchmakers is not necessary to maintain safety in the ring and protect the boxers.

Timekeepers are paid a fee to keep track of the length of each round and between-round rest periods during a boxing contest. To be licensed, timekeepers need only to know how to handle a stopwatch and demonstrate some experience as a timekeeper. Timekeepers for professional boxing contests are required to have experience as timekeepers in amateur bouts. The commission confirms this experience. The commission can select timekeepers for matches based upon their experience.

Matchmakers are employed by promoters to arrange “matches” between boxers of roughly equal size and skill. Matchmakers need only to have a working knowledge of the game and to work for a promoter. The matchmaker simply arranges matches between boxers; the commission has the final say as to the qualifications of the boxers. The duties and the performance of the matchmaker are the sole responsibility of the promoter.

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### **Licensing Requirements Are Not Applied Consistently**

The licensing requirements for professional boxers and referees are not being consistently enforced.

The provisions require that the boxer be between ages 18-38, not be on medical suspension, have a physical clearance to box signed by a licensed physician, and demonstrate the necessary physical qualifications. Sometimes the commission grants licenses without the boxers having submitted the required physical clearance. For example, approved physical examinations for boxers are not being submitted by the time of the bout. It is not uncommon for the commission to approve a boxer’s application and accept physical examinations after the date of approval. In one instance, two professional boxers were allowed to fight in a boxing exhibition held earlier this year without having submitted their approved physical examinations.

The commission is also allowing the ring officials for scheduled bouts to participate without proper licenses. According to the commission’s files, there were instances where a referee and a timekeeper had not renewed their licenses by the time of the bout. In addition, the referee had not submitted the required physical examination report.

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### **Amendments Are Needed to the Statute and Rules**

Chapter 440 should be amended to remove requirements that are ineffective, unnecessary, or unfeasible. They can be simplified. Financial requirements for professional promoters should be changed to reflect current practices. In addition, the requirement for an annual medical clinic may be unnecessary.

### ***Financial requirements for professional promoters***

Professional promoters are subject to certain licensing requirements to ensure that they will be able to pay boxers and ring officials for their performance during a boxing contest. These requirements are insufficient, unnecessary, and should be eliminated. The promoters are not complying with the requirements and the commission is not enforcing them. The Department of Commerce and Consumer Affairs (DCCA) is using an alternative method to ensure payment to participants in boxing contests. The statute should be amended to reflect this.



Currently, the statute requires professional promoters to submit a credit report for the five-year period prior to license application, a current financial statement certified by a certified public accountant, a state tax clearance statement, and a \$5,000 surety bond.

The \$5,000 surety bond is supposed to ensure the promoter's ability to pay the boxing contestants and ring officials. The \$5,000, however, does not always cover the total amount necessary to pay them. The requirements for a credit report, current certified financial statement, and a state tax clearance statement also do not guarantee payment to the boxers and ring officials. In addition, the commission's files indicate that professional promoters are submitting incomplete credit reports and financial statements that are not certified by a public accountant.

Also, Section 440-8.5(1), HRS, should be repealed. This section requires that rules be adopted to establish a trust or escrow account system to ensure that the promoter meets all financial obligations. This provision was never implemented because DCCA's Administrative Services Office would not approve the establishment of a trust or escrow account.

To guarantee payment to boxers and ring officials, the administrative rules currently require professional promoters to deposit certified or cashier's checks made payable to the commission. Or, the commission can accept an irrevocable letter of credit—in a form approved by the commission—drawn upon a bank or savings and loan association. In practice, however, promoters are depositing checks with the commission prior to the bout in the names of the participating boxers and ring officials. The executive officer distributes the checks following the boxing contest. This system appears to be working and has made unnecessary the licensing requirements for a bond, credit report, financial statements, and a tax clearance.

The statute should be amended to remove the financial licensing requirements for professional promoters and to repeal the requirement of a trust or escrow account.

### ***Annual medical clinic***

Section 440-8.5(3), HRS, should also be amended. This section requires that rules be adopted to provide for annual clinics on health and safety for the boxers. The commission has yet to adopt administrative rules to implement this mandate, and annual clinics may not be necessary or cost effective. The statute should be amended to allow the commission to determine the necessity for and the frequency of the clinics.

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## Recommendations

1. The Legislature should continue the regulation of boxing contests:
2. The Legislature should consider amending Chapter 440, HRS, to:
  - a. Eliminate licensing requirements for amateur promoters, and for timekeepers and matchmakers;
  - b. Eliminate the requirement that professional promoters submit a credit report, current financial statement certified by a certified public accountant, tax clearance, and surety bond to obtain a promoters license.
  - c. Eliminate the requirement for trust or escrow accounts for promoters to meet their financial obligation; and
  - d. Allow the commission to determine the appropriate method of assuring proper payment of promoters' obligations and the frequency of health and safety clinics for boxing.
3. The Boxing Commission should take steps to:
  - a. Amend its rules to eliminate unnecessary licensing requirements; and
  - b. Ensure that licensing requirements for professional boxers and referees are consistently enforced.



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## Notes

### Chapter 1

1. Hawaii, Department of Commerce and Consumer Affairs, *Operational Manual for the Boxing Commission*, January 1994, p. I-B1; Boxing Commission, unpublished data provided by the Boxing Commission.
2. Hawaii, Legislative Auditor, *Sunset Evaluation Report: Boxing Contests*, Report No. 86-5, Honolulu, January 1986.



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## Responses of the Affected Agencies

### Comments on Agency Responses

We transmitted a draft of this report to the Hawaii State Boxing Commission and to the Department of Commerce and Consumer Affairs on August 4, 1994. A copy of the transmittal letter to the commission is included as Attachment 1. A similar letter was sent to the department. The response from the commission is included as Attachment 2. The department did not submit a separate response.

The commission agrees with or supports all the recommendations made in the report. It agrees that the Legislature should continue the regulation of boxing contests. The commission also agrees that the licensing requirements for amateur promoters, and for timekeepers and matchmakers should be eliminated. In addition, the commission suggested that the licensing of amateur boxing seconds be eliminated because the seconds are not compensated for their services.

The commission supported the recommendation to eliminate the requirement that professional promoters submit a credit report, current financial statement certified by a certified public accountant, tax clearance, and surety bond to obtain a promoters license. The commission agreed that it should be allowed to determine the appropriate method of assuring proper payment of the promoters' obligations and that the requirement for a trust or escrow account should be eliminated. The commission also agreed that the scheduling of health and safety clinics should be left to the discretion of the commission. Finally, the commission will be amending its rules to eliminate unnecessary licensing requirements and states it will be more vigilant in consistently enforcing its licensing requirements.

ATTACHMENT 1

STATE OF HAWAII  
OFFICE OF THE AUDITOR  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917



MARION M. HIGA  
State Auditor

(808) 587-0800  
FAX: (808) 587-0830

August 4, 1994

**COPY**

Mr. George M. Amimoto, Chair  
Boxing Commission  
Department of Commerce and Consumer Affairs  
Kamamalu Building  
1010 Richards Street  
Honolulu, Hawaii 96813

Dear Mr. Amimoto:

Enclosed for your information are 6 copies, numbered 9 to 14 of our draft report, *Sunset Evaluation Update: Boxing Contests*. We ask that you telephone us by Monday, August 8, 1994, on whether or not you intend to comment on our recommendations. Please distribute the copies to the members of the commission. If you wish your comments to be included in the report, please submit them no later than Tuesday, September 6, 1994.

The Department of Commerce and Consumer Affairs, Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa  
State Auditor

Enclosures

JOHN WAIHEE  
GOVERNOR



CLIFFORD K. HIGA  
DIRECTOR

NOE NOE TOM  
LICENSING ADMINISTRATOR

# HAWAII STATE BOXING COMMISSION

STATE OF HAWAII  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

September 6, 1994

RECEIVED

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OFF. OF THE AUDITOR  
STATE OF HAWAII

Marion H. Higa, State Auditor  
Office of the Auditor  
State of Hawaii  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917

Dear Mrs. Higa:

The Hawaii State Boxing Commission ("Commission") thanks you for the opportunity to provide comment on the Sunset Evaluation Update for Boxing. We will comment on the recommendations as they appear chronologically on page 9 of the report:

1. "The Legislature should continue the regulation of boxing contests."

The Commission agrees with this recommendation.

2. "The Legislature should consider amending Chapter 440, HRS as follows to:

- a. Eliminate licensing requirements for amateur promoters, and for timekeepers and matchmakers;"

The Commission agrees with this recommendation and would also suggest elimination of licensing of amateur boxing seconds, because they are not compensated for their services.

- b. "Eliminate the requirement that professional promoters submit a credit report, current financial statement certified by a certified public accountant, tax clearance, and surety bond to obtain a promoters license."

The Commission supports this recommendation as it would simplify the licensing process.



Marion H. Higa, State Auditor  
September 6, 1994  
Page 2

- c. "Eliminate the requirement for trust or escrow accounts for promoters to meet their financial obligation;" and

The Commission agrees with this recommendation as it already has an effective method for promoters to meet their financial obligations.

- d. "Allow the commission to determine the appropriate method of assuring proper payment of promoters' obligations and the frequency of health and safety clinics for boxing."

The Commission supports this recommendation as it currently has an effective method of payment to ensure the promoter's obligations are satisfied. We also concur that scheduling of health and safety clinics should be left to the discretion of the Commission.

3. The Boxing Commission should take steps to:

- a. Amend its rules to eliminate unnecessary licensing requirements;

Extensive amendments to the rules, which in part, delete what we concur with to be unnecessary licensing requirements, are being finalized so the Commission may proceed with formal rule adoption.

- b. Ensure that licensing requirements for professional boxers and referees are consistently enforced.

The Commission will be more vigilant in the future, so that the noted discrepancies will not occur again.

Again, thank you for the opportunity to provide comment.

Very truly yours,



George Amimoto  
Chairman  
Hawaii State Boxing Commission

## Proposed Legislation

EIGHTEENTH LEGISLATURE, 1995  
STATE OF HAWAII

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# A BILL FOR AN ACT

RELATING TO BOXING CONTESTS.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1       SECTION 1. Section 440-8.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       "**§440-8.5 Powers and duties of the commission.** In addition  
4 to any other powers and duties authorized by law, the commission  
5 shall adopt rules pursuant to chapter 91 to provide for the  
6 following:

7       (1) [A trust or escrow account system to ensure] An  
8       appropriate method of ensuring that all financial  
9       obligations are met by a promoter before a boxing  
10      contest[. This system shall supersede all other  
11      financial obligatory requirements imposed on promoters  
12      by this chapter];

13      (2) A public record accounting for the distribution of all  
14      tickets provided to the commission by a promoter and  
15      anything else of value which is provided to the  
16      commission;

17      (3) [An annual clinic] Clinics or [seminar] seminars on  
18      health and medical safety for boxers[;] as may be  
19      necessary in the discretion of 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."

SECTION 2. Section 440-10, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any individual, partnership, club, association, organization, or corporation may make application to the commission for a license to conduct, hold, and give professional boxing contests. The application shall be in writing, addressed to the commission, and duly verified by the applicant, or if the applicant is a club, association, organization, or corporation, by a duly authorized officer thereof, and shall include the following:

(1) Evidence of financial integrity [for an individual

1 applicant, for each partner of a partnership or joint  
2 venture, or for each corporate entity or association to  
3 include a:

4 (A) Current credit report covering a five-year period  
5 immediately preceding the date of application;

6 (B) Current financial statement certified by a  
7 registered certified public accountant or a  
8 registered public accountant;

9 (C) State tax clearance from the state department of  
10 taxation;] in accordance with rules adopted by the  
11 commission pursuant to chapter 91;

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

17 (3) Proof that the applicant has contracted for medical  
18 insurance coverage for all boxers on the applicant's  
19 cards."

20 SECTION 3. Section 440-11, Hawaii Revised Statutes, is  
21 amended to read as follows:

22 "§440-11 License fee; [bond;] requirements to maintain

1 license. (a) The application for a license to promote  
2 professional boxing contests [or amateur boxing contests] shall  
3 be accompanied by a fee as provided in rules adopted by the  
4 director of commerce and consumer affairs pursuant to chapter 91.

5 (b) Before any license is granted, the applicant shall file  
6 and maintain with the commission proof of medical insurance for  
7 boxers as provided in section 440-10(a)(3) [and a bond in the sum  
8 of \$5,000 with good and sufficient sureties conditioned for the  
9 faithful performance by the applicant of this chapter. In case  
10 of default in the performance, the bond shall be forfeited and  
11 the full amount thereof, or any less amount as the commission may  
12 determine, shall be recovered by the attorney general in the name  
13 of the State and the amount so recovered shall be paid to any  
14 aggrieved party for monetary damages sustained as a result of the  
15 applicant's default in performance, as determined by the  
16 commission, with the remainder paid into the state treasury].

17 (c) Failure, refusal, or neglect of any licensed promoter  
18 to maintain in full force and effect the applicable medical  
19 insurance [or the applicable bond] covered in this section shall  
20 cause the automatic suspension of the promoter's license as of  
21 the date of expiration or cancellation of the medical insurance  
22 [or bond]. A licensee [may], within fifteen days after receipt

1 of the notification of the license suspension, may request an  
2 administrative hearing to review the suspension pursuant to  
3 chapter 91.

4       The commission shall not reinstate the affected license  
5 until satisfactory proof of medical insurance [or bond coverage,  
6 as appropriate,] is submitted to the commission. Failure to  
7 effect a reinstatement of a suspended license within sixty days  
8 of the suspension shall cause the license to be terminated.

9       The commission may assess a fee not to exceed \$500 as a  
10 condition for the reinstatement of a license terminated pursuant  
11 to this section."

12       SECTION 4. Section 440-12, Hawaii Revised Statutes, is  
13 amended to read as follows:

14       "**§440-12 Licenses, participants.** Any individual,  
15 partnership, or corporation may [make application] apply to the  
16 commission for a license to act as a physician, referee, judge,  
17 [matchmaker,] manager, [timekeeper,] second, or professional  
18 boxer to participate, either directly or indirectly, in any  
19 contest. The application shall be in writing, addressed to the  
20 commission, and duly verified by the applicant or, if the  
21 applicant is a corporation, by a duly authorized officer thereof.  
22 The application shall contain a recital of facts as may be

1 specified by the commission in order for it to determine whether  
2 or not the applicant possesses the necessary physical, mental,  
3 and moral qualifications to entitle the applicant to a license.

4       In addition, the applicant for a referee, judge, manager, or  
5 second license shall take and pass a written examination as  
6 provided by the commission. The commission may exempt an  
7 applicant for a manager or second license from taking the  
8 examination, if the applicant holds a valid manager or second  
9 license in another jurisdiction with comparable boxing  
10 regulations.

11       Any license to act as a physician, referee, judge,  
12 [matchmaker,] manager, [timekeeper,] second, or professional  
13 boxer may be suspended or revoked by the commission upon cause as  
14 it deems sufficient after due hearing."

15       SECTION 5. Section 440-13, Hawaii Revised Statutes, is  
16 amended to read as follows:

17       "**§440-13 License fees.** License fees shall be paid annually  
18 to the State by every applicant to whom a license is issued to  
19 participate in the conduct of professional boxing in any of the  
20 capacities set forth in this section: physician, referee, judge,  
21 [matchmaker,] manager, [timekeeper,] second, and professional  
22 boxer. The charge for a duplicate of a license and all fees

1 required by this chapter shall be as provided in rules adopted by  
2 the director of commerce and consumer affairs pursuant to chapter  
3 91 and shall be deposited with the director of finance to the  
4 credit of the general fund.

5       The director of commerce and consumer affairs may establish  
6 a schedule of license fees for participation in amateur boxing  
7 contests, and may waive payment of license fees for amateur  
8 boxing contests."

9       SECTION 6. Statutory material to be repealed is bracketed.  
10 New statutory material is underscored.

11       SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_



