

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Marc Berman, Chair

AB 2130 (Haney) – As Introduced February 18, 2026

**NOTE:** This bill is double referred and if passed by this Committee will be re-referred to the Assembly Arts, Entertainment, Sports, and Tourism Committee.

**SUBJECT:** State Athletic Commission: boxing and mixed martial arts: sponsorship contracts.

**SUMMARY:** Authorizes the California State Athletic Commission to enter into contracts or agreements to place the name or logo of an approved sponsor, Indian tribe, or nonprofit organization on referees, licensees, commission staff, and ringside physician apparel; directs the proceeds of the contract or agreement towards the Boxers' Pension Fund and Mixed Martial Arts Retirement Benefit Fund (MMA Fund) and referees, as specified; authorizes specified one-time vested payments from those proceeds; and authorizes the commission to employ an assistant chief athletic inspector, as specified.

**EXISTING LAW:**

- 1) Regulates and licenses combat sports under the Boxing Act, which is also called the State Athletic Commission Act. (Business and Professions Code (BPC) §§ 18600-18887)
- 2) Establishes the State Athletic Commission within the Department of Consumer Affairs (DCA) to administer and enforce the Boxing Act. (BPC § 18602)
- 3) Prohibits unlicensed promotion or participation in boxing or martial contest, match, or exhibition and grants the commission the sole direction, management, control of, and jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of forms of full contact martial arts contests, including mixed martial arts, and matches or exhibitions conducted, held, or given within this state. No event may take place without the prior approval of the commission. (BPC § 18640.5)
- 4) Requires the commission to license referees, judges, matchmakers, and timekeepers (officials) and authorizes the commission to license the clubs, assistant matchmakers, and corporate treasurers. (BPC § 18641)
- 5) Authorizes the commission to license professional and amateur boxers, professional and amateur martial arts fighters, and booking agents, managers of professional boxers and professional martial arts fighters, trainers, chief seconds, and seconds of each, as specified. (BPC § 18642)
- 6) Defines “club” and “promoter” synonymously to mean a corporation, partnership, association, individual, or other organization which conducts, holds, or gives a boxing or martial arts contest, match, or exhibition. (BPC § 18622)
- 7) Defines a professional or amateur boxer or martial arts fighter as one who engages in a boxing or martial arts contest and possesses fundamental skills in their respective sport. (BPC § 18623)

- 8) Defines “contest” and “match” synonymously to mean professional and amateur boxing, kickboxing, and martial arts exhibitions, and mean a fight, prizefight, boxing contest, pugilistic contest, kickboxing contest, martial arts contest, or sparring match, between two or more persons, where full contact is used or intended that may result or is intended to result in physical harm to the opponent. (BPC § 18625(a))
- 9) Defines “martial arts” as any form of karate, kung fu, tae kwon do, kickboxing or any combination of full contact martial arts, including mixed martial arts, or self-defense conducted on a full contact basis where a weapon is not used. (BPC § 18627(a))
- 10) Defines “kickboxing” as any form of boxing in which blows are delivered with the hand and any part of the leg below the hip, including the foot. (BPC § 18627(b))
- 11) Defines “full contact” as the use of physical force in a martial arts contest that may result or is intended to result in physical harm to the opponent, including any contact that does not meet the definition of light contact or noncontact. (BPC § 18627(c))
- 12) Defines "manager" to mean any individual or corporate principal who directs a professional fighter's career, arranges their contests, or receives more than 10 percent of their gross purse, except for licensed attorneys when legal representation. (BPC § 18628)
- 13) Requires the commission to establish the MMA Fund for licensed professional martial artists who engage in mixed martial arts contests in this state, as specified. (BPC §§ 18888-18888.12)

**THIS BILL:**

- 1) Authorizes the commission to employ an assistant chief athletic inspector in charge of training.
- 2) Specifies that, if the commission employs an assistant chief athletic inspector in charge of training, the assistant chief athletic inspector in charge of training assists the chief athletic inspector in exercising the powers and performing the duties delegated by the commission and authorized by the executive officer related to regulation of events.
- 3) Authorizes the commission to enter into a contract with an approved sponsor to place the sponsor’s name or logo, as approved by the commission, on referee, licensee, commission staff, and ringside physician apparel.
- 4) Authorizes the commission to enter into an agreement with an Indian tribe or a nonprofit organization to similarly display the name, logo, insignia, or brand, as approved by the commission, of the Indian tribe or nonprofit organization.
- 5) Specifies that a contract or agreement entered into for displaying names and logos on apparel is at the discretion of the commission and is not be subject to any of the following:
  - a) Competitive bidding or any other state contracting requirements.
  - b) Review, consent, or approval of any other state department or agency.

- c) The State Contracting Manual, the State Administrative Manual, the Public Contract Code, or personal services contracting requirements.
- 6) Specifies that payment received by the commission for a sponsorship shall be distributed as follows:
- a) Divide 75% of the payment between the Boxers' Pension Fund and the Mixed Martial Arts Retirement Benefit Fund in a manner that fairly represents the revenue derived from each segment, as determined by the commission and set forth in the sponsorship contract.
  - b) Deposit 25% of the payment into the Athletic Commission Fund to be used for referee training, payment, and education.
- 7) Prohibits sponsorship contracts from the following:
- a) Promoting a sham or fake contest, as defined.
  - b) Promoting the use of prohibited or illegal substances.
- 8) Exempts the commission from the rulemaking provisions of the Administrative Procedure Act for purposes of this bill.
- 9) Defines purposes of the provisions under this bill:
- a) "Approved sponsor" means a sponsor for whom both of the following are true:
    - i) The sponsor is in compliance with all applicable laws and regulations pertaining to their business or profession.
    - ii) The sponsor does not have a financial interest in a licensee participating in, or the outcome of, a contest in which the sponsor's name or approved logo appears pursuant to this section.
    - iii) "Indian tribe" means a federally recognized Indian tribe and any department, division, subdivision, agency, or arm or instrumentality thereof.
    - iv) "Nonprofit organization" means a tax-exempt organization as defined under Section 501(c)(3) of the Internal Revenue Code.
- 10) Specifies that a violation of this the provisions under this bill is not a crime.

**FISCAL EFFECT:** Unknown; this bill is keyed fiscal by the Legislative Counsel.

**COMMENTS:**

**Purpose.** This bill is sponsored by the *California State Athletic Commission*. According to the author, "Fighters step into the ring risking serious, lifelong injuries, yet many retire without the security athletes in other major sports have. [This bill] takes a commonsense step to change that by allowing sponsor logos on referee apparel and directing most of that revenue to fighter retirement funds. It does not raise taxes or ticket prices. It simply ensures that when corporations profit from combat sports, fighters share in that success."

**Background.** California, through the California State Athletic Commission, regulates most forms of professional and amateur combative sporting events, such as boxing and martial arts events, including MMA events. Specifically, the commission regulates events where the use of full contact may result in physical harm to an opponent, including amateur contests where full contact may be unintentionally used.

The need for regulation is the inherent risk of harm in combative sporting contests, particularly when held for the entertainment of viewers. Left unregulated, contests may lack safety equipment, mismatch contestants, or, in the case of professionals, fail to pay the contestants. To that end, the commission is tasked with ensuring that contestants who wish to participate in these sports may do so safely and fairly. This is done through the licensing of the fighters themselves, as well as the managers, corners, matchmakers, trainers, promoters, and officials.

*Commission Funding.* The commission, like other DCA licensing boards, is a special fund entity and receives no support from the state general fund. It instead relies on revenues from licensing, administrative, and other regulatory fees to pay for its costs. However, the nature of the commission's licenses differs from other DCA licensing boards. Other DCA licensing boards focus on the competence of practitioners that deliver professional services to consumers, and the workload related to ensuring that competence is recouped through license renewal fees.

The commission only licenses fighters to ensure they have the skills to compete with other licensees safely. Instead, the bulk of the commission's workload is the regulation of the events that profit from the fighters' participation. As such, the commission primarily relies on fees on the revenues from the promoters of the events.

However, because the bulk of the commission's revenue comes from the event fees, the commission's solvency is dependent on the number and size of fights held in California, which is impossible to predict. As a result, the commission's reserve has experienced extreme fluctuations. This bill may potentially provide a small offset for the volatility by supplementing the funding for referee training, payment, and education.

*Boxing and MMA Retirement Funds.* Many professional fighters compete full-time, potentially putting off other career or employment opportunities in the meantime. They may also compete on a contractual basis, which may leave them without the usual employer-sponsored benefits one may receive in other sectors, such as retirement benefits. Acknowledging this issue, California has established quasi-requirement payment programs for boxers and martial artists. This bill seeks to provide additional funding for the Boxers' Pension Fund and the recently created MMA Fund.

**Prior Related Legislation.** AB 1136 (Haney), Chapter 466, Statutes of 2023, required the commission to establish the MMA Fund.

AB 1703 (Carrillo), Chapter 591, Statutes of 2023, increased the cap on the amount of admission revenue that promoters must report from \$2,000,000 to \$4,000,000 and increased the cap on the gate revenue fee from \$100,000 to \$200,000.

#### **ARGUMENTS IN SUPPORT:**

The California State Athletic Commission (sponsor) writes in support:

[This bill] would grant the Commission explicit authority to enter into sponsorship agreements, thereby creating an additional and sustainable funding stream to support and enhance the long-term viability of the Pension Plan and the MMA Benefit Plan.

These novel revenue opportunities would ensure that eligible athletes receive meaningful benefits during and after their athletic careers.

Furthermore, the bill would enable the Commission to revise the rules governing discretionary payments from the MMA Benefit Fund. This clarification would grant the Commission greater flexibility and clearer authority to issue payments to athletes who vested prior to the establishment of the MMA Benefit Plan, thereby ensuring that long-serving athletes are appropriately recognized and supported.

Additionally, [this bill] would formally establish a new position within the Inspector Program: an Assistant Chief Inspector dedicated specifically to training. This role would enhance consistency across events, strengthen inspector readiness, and ensure that training standards remain aligned with evolving best practices in combat sports regulation.

As an organization that deeply respects the dedication, discipline, and hard work of combat sports athletes, we believe that the improvements proposed in [this bill] will further bolster the Commission's ability to support fighters both during their active careers and in retirement.

#### **ARGUMENTS IN OPPOSITION:**

There is no opposition on file.

#### **POLICY ISSUES FOR CONSIDERATION:**

*Sponsorship Impact on Commission's Role as a State Regulator.* As the sole regulator of combat sports in the state, the commission is granted significant authority. The weight of that specific authority is augmented by and necessarily tied to the state's sovereignty. The state image infrastructure, including the state seal, badges and pins, .gov domains, and uniforms, broadcast the state's police power and the public's trust. When the commission staff, officials, or physicians walk into a venue, they carry the legitimacy of the state government.

When a private company logo or any other type of paraphernalia is placed on the apparel of commission personnel, viewers unconsciously associate that paraphernalia with the state. This is known as the halo effect—when a viewer cannot separate their feelings about one thing from another, the halo of the one (e.g. state legitimacy) causes the other to appear similarly to the viewer.<sup>1</sup> As a result, even if unintended, a sponsorship on a state official's uniform transfers the

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<sup>1</sup> American Psychological Association, "halo effect," *APA Dictionary of Psychology*, last modified November 15, 2023, <https://dictionary.apa.org/halo-effect>; Daniel Kahneman, *Thinking, Fast and Slow* (New York: Farrar, Straus and Giroux, 2011), chap. 7; *Pleasant Grove City v. Sumnum*, 555 U.S. 460, 467–81 (2009) (recognizing that a government entity's display of a privately funded symbol on public property implies official state endorsement of that message).

state's legitimacy to the sponsor, creating an implied endorsement. This concept is operationalized in the prohibition against the commercial use of the state seal.<sup>2</sup>

*Implied Conflict of Interest.* Similarly, when an official is wearing a private company's logo, the relationship creates the appearance of impropriety. Even though this bill contains conflict of interest requirements, the casual viewer may not know or simply may not believe that the official is not acting in the interest of the sponsor, either directly or because the official simply wants to maintain the sponsorship.

*Regulator vs. Market Participant.* Comparisons have been made between the commission and state football teams, who do have sponsorships. However, this is not a good comparison. While both may be associated with the state, a football team is not a regulator. The football team's closest equivalent in combat sports is a gym, or the trainer, or manager—a licensee under the commission.

Similar parallels have been made to the National Collegiate Athletic Association and the National Football League. These member driven, commercial organizations are also not regulators. Their closest parallels are promoters. They hold events that bring in revenue to their organizations.

The commission is the state government. It is tasked with protecting the public and its licensed fighters above all else. Commercial football organizations are not. When those organizations choose sponsors, even if fans may criticize their choice, it is ultimately a business decision. If the commission's neutrality is questioned, it compromises the integrity of the state's regulatory role.

*User Fees.* A general policy principle regarding licensing special funds is that the users of the licensing entity's services should fund the program. While the commission's license fee structure is different than other licensing boards, the primary licensees who profit from the licensing program, promoters, are being subsidized by private money rather than asked to contribute more profit. At the same time, because the commission's revenues are so dependent on admission fees from events held by promoters in California, there has been hesitancy to increase the admission fees or explore pay-per-view fees.

*Captive Audience and Privacy Concerns.* Because consumers are required to interact with state licensing regulators (for instance to check a license), the state has a captive audience. For the commission specifically, the Boxing Act states that no event shall take place without the prior approval of the commission. By placing advertising within the view of the captive audience, the state is forcing citizens to give up their attention (or in the case of a website, data) for accessing a service that should be available at no cost.

## **IMPLEMENTATION ISSUES:**

*Exemptions From State Manuals and Administrative Procedures Act (APA).* Because the manuals and the APA are there to ensure a uniform, transparent, and fair process, the author may wish to amend the bill to require them.

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<sup>2</sup> Government Code § 402.

**AMENDMENTS:**

- 1) To ensure transparency in the contracting process, require the commission to comply with the Administrative Procedure Act, state contracting manuals, and to promulgate regulations regarding the process amend the bill as follows:

On page 4 of the bill, between lines 11-32

**18829.** (a) (1) ~~Notwithstanding any other law,~~ *Subject to subdivision (f),* the commission may ~~enter~~ *do the following:*

*(A) Enter* into a contract with an approved sponsor to place the sponsor's name or logo, as approved by the commission, on ~~referee, licensee, commission staff,~~ *referee* and ringside physician apparel.

~~(2) (B) Notwithstanding any other law, the commission may enter~~ *Enter* into an agreement with an Indian tribe or a nonprofit organization to display the name, logo, insignia, or brand, as approved by the commission, of the Indian tribe or nonprofit organization as described in ~~paragraph (1).~~ *subparagraph (A).*

~~(3)~~(2) A contract or agreement entered into pursuant to this section shall be at the discretion of the ~~commission and shall not be~~ *commission*, subject to ~~any of~~ the following:

~~(A) Competitive bidding or any other state contracting requirements. The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).~~

~~(B) Review, consent, or approval of any other state department or agency.~~

~~(C)~~ *(B)* The State Contracting Manual, the State Administrative Manual, the Public Contract Code, ~~or~~ *and* the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.

*(C) Any other applicable bidding and state contracting requirements.*

On page 5, strike lines 10-15:

~~(d) The commission may adopt regulations for the implementation of this section, and, notwithstanding Section 18611, regulations adopted by the commission for the implementation of this section shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).~~

On page 5, line 30:

*(f) The commission shall not enter into a contract or agreement until it has promulgated regulations establishing and describing the entire procurement lifecycle for contracts and agreements under this section consistent with paragraph (2) of subdivision (a), including, but not limited to, all of the following:*

*(1) The procedures for evaluating and selecting applicants, including the scoring methodology and each criterion used.*

*(2) The permissible provisions of the contracts and agreements.*

*(3) The process, phase, and procedures used to ensure equity and transparency in the procurement lifecycle.*

*(g) Notwithstanding Section 18878, a violation of this section is not a crime.*

2) To provide additional criteria for approved sponsors, amend the bill as follows:

On page 5 lines 17-29:

(e) For purposes of this section, the following definitions apply:

(1) “Approved sponsor” means a sponsor for whom ~~both~~ *all* of the following are true:

(A) The sponsor is in compliance with all applicable laws ~~and regulations~~ pertaining to ~~their business or profession~~ *all of the following*:

*(i) Their business or profession, including labor and employment laws.*

*(ii) Any other laws as determined by the commission.*

(B) The sponsor does not have a financial interest in a licensee participating in, or the outcome of, a contest in which the sponsor’s name or approved logo appears pursuant to this section.

*(C) The sponsor does not otherwise conflict with the commission’s priorities pursuant to Section 18602.1.*

**REGISTERED SUPPORT:**

California State Athletic Commission (sponsor)  
Association of Boxing Commission and Combative Sports  
Association of Ringside Physicians  
California Amateur Mixed Martial Arts Organization  
Two individuals

**REGISTERED OPPOSITION:**

There is no opposition on file.

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