

APA1
07/04

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No. 165 Department or Agency Alabama Athletic Commission
Rule No. 165-X-7-.03
Rule Title: Bond Procedure
 New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? Yes; Licensing Fees

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have an economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 412223, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Joseph B. Mill

Date 9/19/16

(DATE FILED)
(STAMP)

APA-2
07/04

**Alabama Athletic Commission
NOTICE OF INTENDED ACTION**

AGENCY NAME:

Alabama Athletic Commission

RULE NO. & TITLE:

165-X-7-.03 Bond Procedure

INTENDED ACTION:

Create rules and regulations for the currently unregulated combative sport of professional kickboxing.

SUBSTANCE OF PROPOSED ACTION:

This section defines the requirement for a promotion to secure bonding, as well as bonding amounts.

TIME, PLACE, MANNER OF PRESENTING VIEWS:

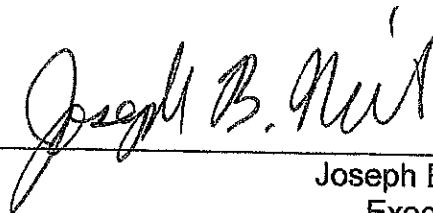
This rule was proposed and adopted by the AAC met on Friday, September 16, 2016, to enter the rules process. The proposal passed unanimously.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

November 14, 2016

CONTACT PERSON AT AGENCY:

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Joseph B. McCormick
Executive Director
Alabama Athletic Commission

(1) Promoter's License Surety Bond.

(a) Before any promoter's license is issued, authorizing the promotion of amateur kickboxing matches in Alabama, the applicant shall make and deliver to the Commission a security bond executed by a surety corporation authorized to transact business in this state.

(b) Any and all bond applications shall be on a form provided by the Commission, and shall be accompanied by an enforceable power of attorney. The Commission may also require a certificate of "good standing" issued by the Commissioner of Insurance.

(c) If any company issuing a bond shall be removed from doing business in this state, it shall be the duty of the Commissioner of Insurance to notify the Commission within thirty (30) days.

(d) The bond shall be in such amount as the Commission may determine based upon the payment of officials' fees, fees necessary to secure the proper medical supervision of any amateur kickboxing event in Alabama, and/or the estimated potential damages, penalties, taxes, or expenses resulting from promotional activities contemplated in Alabama.

(e) Whenever the Commission shall determine that a previously approved bond has for any cause become insufficient, the Commission may require an additional bond or bonds to be given, conforming with the requirements of these rules.

1. Unless the additional promoter's license bond or other bonds are given within the time fixed by written demand therefore, or if the promoter's license bond of a licensee is cancelled, the license of such person shall be summarily suspended without notice or hearing.

(2) Match Permit Bond.

(a) Before any match permit is issued, authorizing the sale of tickets and the ancillary contracting necessary to promote an amateur kickboxing show in Alabama, the applicant shall make and deliver to the Commission a security bond executed by a surety bond corporation authorized to transact business in this state. The purpose of the bond is to ensure that each entity requiring payment in an event in Alabama is paid their entire amount owed, and that full payment of other contractual liabilities is made.

(b) Any and all bond applications shall be on a form provided by the Commission, and shall be accompanied by an enforceable power of attorney. The Commission may also require a certificate of "good standing" issued by the Commissioner of Insurance.

(c) If any company issuing a bond shall be removed from doing business in this state, it shall be the duty of the Commissioner of Insurance to notify the Commission within thirty (30) days.

(d) The bond shall be in such amount as the Commission may determine based on the estimated contractual liabilities against the licensed promoter for damages and expenses resulting from non-payment of financial liabilities, including but not limited to the total amount of each official's payment or other services contracted for or from promotional activities conducted within Alabama.

(e) Whenever the Commission shall determine that a previously approved bond has for any cause become insufficient, the Commission may require additional bond or bonds to be obtained, conforming with the requirements of these rules.

1. Unless the additional match permit bond or bonds are given within the time fixed by written demand, or if the match permit bond of a licensee is cancelled, the match permit of such person shall be summarily suspended and without notice or hearing.

(3) Complaints and Actions to Recover Damages.

(a) Any person claiming that he or she has been damaged by a breach of the conditions of a bond given by a licensee as provided in these rules shall notify the Commission.

(b) The Commission, after an investigation is conducted, may initiate disciplinary action against the person who the complaint was filed.

Authors: Joseph B. McCormick, J. Matt Bledsoe, Stan D. Frierson, Shane T. Sears

Statutory Authority: Code of Ala. 1975, §41-9-1024

History: New Rule: