

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 165 Department or Agency Alabama Athletic Commission

Rule No. 165-X-3-.03

Rule Title: Bonds

       New   X   Amend        Repeal        Adopt by Reference,       

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?       NO      

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?       NO      

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?       NO      

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      

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Does the proposed rule have an economic impact?       NO      

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 41-22-23, Code of Alabama 1975.

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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 Services Agency.

Signature of certifying officer Joseph McEid

Date 4/14/18

(DATE FILED)  
(STAMP)

ALABAMA ATHLETIC  
COMMISSION

NOTICE OF INTENDED ACTION

AGENCY NAME:

*Alabama Athletic Commission*

RULE NO. & TITLE:

*165-X-3-.03: Bonds*

INTENDED ACTION:

*Amend the AAC Rules and Regulations.*

SUBSTANCE OF PROPOSED ACTION:

*Adds rules for a complaint process and fixes grammatical errors and audit findings.*

TIME, PLACE, MANNER OF PRESENTING VIEWS:

*The Rules Amendment was voted on by the AAC at the Regularly Scheduled Meeting on Friday, April 13, 2018. The amendment passed Unanimously*

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

*June 4, 2018*

CONTACT PERSON AT AGENCY:

*Ashley McGhee  
250 Commerce Street, Suite 9  
Montgomery, AL 36104  
(334) 245-4374*



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JOSEPH B. MCCORMICK, II  
EXECUTIVE DIRECTOR

**165-X-3-.03 Bonds.**

**(1) Promoter's License Surety Bond.**

(a) Before any promoter's license is issued authorizing the promotion of professional mixed martial arts 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 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 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 professional mixed martial arts show 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 bonds are given within the time fixed by written demand therefore, or if the promoter's license bond of a licensee is canceled, 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 ~~a professional~~ an amateur mixed martial arts show 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. The purpose of the bond is to ensure that each Contestant competing in Alabama is paid their entire purse, 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 30 days.

(d) The bond shall be in such amount as the Commission may determine based upon the estimated contractual liabilities against the licensed promoter for damages and expenses resulting

from non-payment of contract liabilities, including but not limited to the total amount of each competing Contestant's purse 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 given, 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 therefor, or if the match permit bond of a licensee is canceled, the match permit of such person shall be summarily suspended and without notice or hearing.

**(3) Complaints and Actions to Recover Damages.** Complaints shall be categorized and kept on file by the Commission the appropriate action to be taken. Reports of illegal events, contesting of bout results, complaints against a licensee, and claims against a bond shall be categorized as complaints.

(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 Attorney General.

(b) The Attorney General, after an investigation is conducted, may ~~contact~~ contact the Commission, its executive director or other duly authorized representative for disciplinary action against the person whom the complaint was filed.

(c) Reports of unsanctioned events shall be logged on a complaint database and given a claim number. The Executive Director or other Commission appointed representative(s) may work with the Attorney General's Office and federal, state, and/or local law enforcement agencies to terminate illegal event.

(d) Complaint against a bout result. See 165-X-3-.08, (20)., C.

(e) Complaints against a licensee. See 165-X-3-.08, (20)., C and D.

**Authors:** J. Matt Bledsoe, Brandon Owens, Casey Sears, Joseph B. McCormick

**Statutory Authority:** Code of Ala. 1975, §§41-9-1020.

**History: New Rule:** Filed March 29, 2010; effective May 3, 2010. **Repealed and New Rule:** Filed December 27, 2013; effective January 31, 2014.