

HOUSE BILL REPORT

HB 1712

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to registration of athlete agents.

Brief Description: Providing for the registration of athlete agents.

Sponsor(s): Representatives Heavey, Lisk, Cole, Fuhrman, Wood, Betrozoff, Jacobsen, R. Meyers, Phillips, Winsley, Ferguson, Orr and Wineberry.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 26, 1991, DPS.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *That Substitute House Bill No. 1712 be substituted therefor, and the substitute bill do pass.*
Signed by 10 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; and Vance.

Staff: Jim Kelley (786-7166).

Background: A substantial number of athletes from Washington's colleges and universities go on to play professional sports. In most cases, before signing a professional sports contract, an athlete will hire an agent to negotiate a contract or find employment for the athlete in a professional sport. Currently, Washington has no laws specifically regulating athlete agents.

Summary of Substitute Bill: Athlete agents are required to register with the Department of Licensing. Only a registered athlete agent or an employee or representative of a professional sport team may solicit an individual to enter into an agent contract or professional sport services contract or procure, offer, promise, or attempt to obtain employment for an individual as a professional athlete.

Registration and reporting

The Department of Licensing is authorized to establish rules necessary to register athlete agents and to maintain the official record of all applicants. An athlete agent must file a disclosure statement, including the following information: educational background; experience; name and address of firms represented; criminal convictions; and sanctions resulting from his or her activities as an athlete agent.

Failure to register or report

A violation of this chapter is a per se violation of the consumer protection act.

Criminal sanctions

It is a gross misdemeanor for an athlete agent to induce a student athlete to enter into an agent contract or a professional sport services contract. A student athlete is a person who engages in, is eligible to engage in, or may be eligible to engage in any intercollegiate sporting event, contest, exhibition or program in this state. A person ceases to be a student athlete as soon as his or her collegiate eligibility in the sport in which he or she is under scholarship has expired.

It is also a gross misdemeanor for an athlete agent to offer anything of value to an employee of a school in return for the referral of a student athlete by that employee.

It is a class C felony for an athlete agent or athlete agent firm to offer money or any valuable consideration to a student athlete.

Substitute Bill Compared to Original Bill: The substitute bill creates the following two exemptions from the athlete agent regulations:

1. Any person who is related to the student athlete by blood or marriage; and
2. A person who represents or advises no more than one student athlete in any given year.

The substitute bill makes it a class C felony for an athlete agent to offer money or any other valuable consideration to a student athlete before the student's eligibility for collegiate athletics expires.

Professional sport teams need not be registered to solicit an individual to enter into an agent contract or a professional sport services contract or procure, offer,

promise, or attempt to obtain employment for an individual with a professional sport team.

The substitute bill clarifies that a person ceases to be a student athlete when his or her collegiate eligibility in the sport in which he or she is under scholarship has expired.

Fiscal Note: Requested February 8, 1991.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will have three effects: (1) it will increase the graduation rate among student athletes; (2) it will give dignity to the profession of athlete agency; and (3) it will help enforcement of NCAA rules. College is not a farm system for the pros.

Testimony Against: None.

Witnesses: Mike Lude, former Athletic Director - University of Washington (in favor); Mike Price, Head Football Coach - Washington State University; and Don James, Head Football Coach - University of Washington.