

# SENATE BILL REPORT

## SB 5479

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, February 26, 2001

**Title:** An act relating to athlete agents.

**Brief Description:** Adopting the uniform athlete agents act.

**Sponsors:** Senator Jacobsen; by request of Washington Uniform Legislation Commission.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 2/5/01, 2/26/01  
[DPS-WM, DNP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

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**Majority Report:** That Substitute Senate Bill No. 5479 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Fairley, Patterson, Rasmussen, Regala and West.

**Minority Report:** Do not pass.

Signed by Senators Benton, Deccio and Honeyford.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** In 1991, a law regulating the profession of athlete agents was enacted. This law was repealed in 1999.

The National Collegiate Athletics Association asked the National Conference of Commissioners on Uniform State Laws (NCCUSL) to draft a Uniform Athlete Agents Act. This bill is a result of NCCUSL's work.

**Summary of Substitute Bill:** In order to be a student athlete agent, a person must register with the Department of Licensing. Application information to be provided to the department and the conditions under which the department may refuse to grant or revoke a license are specified.

Agents must provide student athletes with a contract. Required elements of the contract are specified, including a description of any expenses the student athlete agrees to pay and a disclaimer that athletes may lose their eligibility to compete as a student if they sign the contract.

Agents must inform the athletic director of the student athlete's educational institution of the contract both prior to and after the contract signing, and student athletes must inform the

athletic director of the contract after the contract signing. A student athlete may cancel a contract within 14 days after the contract has been signed.

Prohibited acts by agents and the penalties for committing these acts are specified. An educational institution has a right of action against an athlete agent or a former student athlete if the institution is penalized or suspended from participation in athletics by a national athletic association or conference.

**Substitute Bill Compared to Original Bill:** The effective date of the bill is January 1, 2002. Fees set in statute are effective until 2004, when the fees will be adjusted to make the licensing program self-sufficient. Temporary licensure is valid for not more than 60 days. The department is granted powers and duties necessary to carry out the bill. The word "registration" is replaced throughout the bill with the word "license" or "licensure" as appropriate.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** January 1, 2002.

**Testimony For:** This law was initially requested by the NCAA, and makes it easier for educational institutions to sue athletes or athlete agents whose actions result in penalties to an educational institution.

**Testimony Against:** It is unclear how many people will register for the program. Few people were licensed when this program was in existence between 1991 and 1999. If the program conforms to department self-sufficiency requirements, the fees for licensing will likely be quite high. It is unusual to set fees in statute since the department usually sets fees to meet the self-sufficiency requirements of a program. Department rule-making authority is needed, and the word "registration" should be changed to "licensure." A time limit for temporary licenses should be specified, and the department would need at least a January 1, 2002 effective date to implement the provisions of the bill.

**Testified:** Rob Aronson, Uniform Law Commission (pro); Alan Rathbun, Department of Licensing (concerns).