

SENATE BILL REPORT

SB 6457

As Passed Senate, February 12, 2002

Title: An act relating to athlete agents.

Brief Description: Adopting the uniform athlete agents act.

Sponsors: Senators Carlson and Jacobsen.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/29/02 [DP].

Passed Senate: 2/12/02, 48-0.

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Franklin, Gardner, Honeyford, Rasmussen, Regala and Winsley.

Staff: Elizabeth Mitchell (786-7430)

Background: Agents who attempt to secure professional athletic or endorsement contracts for college athletes are currently not regulated in Washington. There is concern that some college athletes may sign contracts without understanding that their ability to compete at the collegiate level may be jeopardized. There is also concern that educational institutions may lack effective remedies under current law to recover damages as a result of a college athlete turning professional.

Summary of Bill: If an agent initiates contact with a college athlete, she/he must provide the athlete with a disclosure form within seven days. The disclosure form must include information about the agent's business operations, including any disciplinary sanctions that have been imposed upon the agent. If an athlete is not provided with this disclosure form within seven days, any contract signed by the athlete is null and void.

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. A student athlete may cancel a contract within 14 days after the contract has been signed. Agents must retain records of their business practices for five years.

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 within 72 hours after the contract signing.

No person can be an agent in this state if she/he has been convicted of a felony or other crime involving moral turpitude, has had his or her license suspended by another state, or if

his or her behavior has resulted in sanctions to an athlete or an educational institution. In addition, no person may be an agent in this state if they engage in any other prohibited activities specified.

Acts prohibited are class C felonies and are also punishable by a civil penalty of up to \$10,000. An educational institution has a right of action against an athlete agent or a former student athlete if the institution is damaged by the agent or athlete's conduct. "Damage" includes being penalized or suspended from participation in athletics by a national athletic association or conference as a result of the agent or athlete's actions.

Family members of the athlete or agents acting solely on the behalf of a professional sports organization are not considered to be agents for the purposes of the bill.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: When college athletes become ineligible to compete due to their contact with agents, this can be very costly to colleges and universities. This bill is part of an effort to pass uniform legislation regulating agents in all states.

Testimony Against: None.

Testified: PRO: Judge Marlin Appelwick, WA Uniform Legislation Commission; Jane Yung Dennie, WSU.

House Amendment(s): Student athletes, as well as agents, are required to inform athletic directors of the existence of an agency contract at least 72 hours prior to signing the contract.