

SENATE BILL REPORT

SB 6286

As of February 4, 2020

Title: An act relating to benefits provided by athlete agents.

Brief Description: Permitting athlete agents to provide some benefits to student athletes.

Sponsors: Senators Frockt, Pedersen and Mullet; by request of Uniform Law Commission.

Brief History:

Committee Activity: Labor & Commerce: 2/04/20.

Brief Summary of Bill

- Allows an athlete agent to provide something of value to a student athlete under certain circumstances.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jarrett Sacks (786-7448)

Background: Uniform Athlete Agents Act. Washington's Uniform Athlete Agents Act (UAAA) is based on a model act produced by the National Conference of Commissioners on Uniform State Laws (Uniform Law Commission). The model act was drafted in 2000 and Washington enacted the UAAA in 2002. Forty two states have enacted the model act. In 2015, the Uniform Law Commission revised the model act and made changes like expanding the definition of athlete agent, allowing for increased reciprocal registration between states, adding new requirements to disclosure statements, and expanding notification requirements.

The UAAA governs relationships among student athletes, athlete agents, and educational institutions. The UAAA prohibits athlete agents from engaging in certain acts. One such prohibition is that an athlete agent may not, with the intent to influence a student athlete to enter into an agency contract, furnish anything of value to the athlete before the athlete enters into the contract.

An agency contract is an agreement in which a student athlete authorizes a person to negotiate or solicit, on the athlete's behalf, a professional sports or endorsement contract.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

An athlete agent is an individual who:

- recruits or solicits a student athlete to enter into an agency contract or who procures employment or offers, promises, attempts, or negotiates employment for a student athlete as a professional athlete;
- for compensation or in anticipation of representing the athlete, serves the athlete in an advisory capacity related to finances, business pursuits, or career decisions or manages the business affairs of the athlete; or
- in anticipation of representing a student athlete, gives consideration to the athlete or another person.

NCAA Eligibility Rules. After federal indictments of certain agents, representatives of shoe companies, and basketball coaches in 2017 on various charges including bribery, wire fraud, and money laundering, the NCAA made changes to its eligibility rules for basketball players. The rules changes allow:

- an agent certified by the NCAA to make certain limited expenditures related to a student athlete selecting an agent; and
- a limited number of elite student athlete basketball players to sign an agency contract and retain their eligibility if the athlete subsequently decides not to sign a professional contract.

To accommodate these changes to the NCAA eligibility rules for basketball players, the model athlete agents act was revised in 2019.

Summary of Bill: Washington's UAAA is amended to conform with recent updates to the model act.

The prohibition on an agent, with the intent to influence an athlete to enter into an agency contract, furnishing anything of value to the athlete is removed. Instead, an agent may not intentionally furnish anything of value to a student athlete if doing so may result in the loss of the athlete's eligibility, unless:

- the agent notifies the athletic director of the educational institution where the athlete is enrolled within 72 hours after giving the thing of value; and
- the athlete acknowledges to the agent in a record that receipt of the thing of value may result in loss of the athlete's eligibility.

Provisions are reorganized and terminology is updated to conform to the changes made in the model act.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The bill is based on changes to the model act that passed over the summer. The change arose out of a scandal from several years ago

regarding the payment of student athletes. The bill sheds light on arrangements that are already happening and it allows athletes to receive a disclosure upfront. It is better for these arrangements to be out in the open.

Persons Testifying: PRO: Senator David Frockt, Prime Sponsor.

Persons Signed In To Testify But Not Testifying: No one.