

HOUSE RESEARCH

Bill Summary

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Overview

This bill enacts the uniform athlete agents act. It was drafted and approved by the National Conference of Commissioners on Uniform State Laws (abbreviated NCCUSL and pronounced "Ne-koo-sel"). It requires athlete agents who want to represent student athletes in negotiating a professional sports contract to register with the commissioner of commerce and comply with requirements enacted in this bill regarding their conduct.

Section

- 1 **Short title.** States that this act may be called the uniform athlete agents act. The key definition is the definition of "athlete agent," since they are the people regulated by this bill. Defines "commissioner" as the commissioner of commerce.
- 2 **Definitions.** Defines 13 terms used in this bill.
- 3 **Service of process; investigating powers.**
 - Subd. 1. Appointment of agent.** Provides that nonresident athlete agents sued under this act may be served with legal process by serving the commissioner of commerce.
 - Subd. 2. Subpoena and enforcement powers.** Permits the commissioner to issue subpoenas and use other enforcement powers otherwise available to the commissioner.
- 4 **Certificate of registration required.**
 - Subd. 1. General requirement.** Prohibits anyone from acting as an athlete agent in this state without being registered with the commissioner.
 - Subd. 2. Exceptions.** Provides an exception for an athlete agent contacted by a student-athlete, if the athlete agent applies to register within seven days and does not enter into an agency contract until being registered.
 - Subd. 3.** If an agency contract is entered into in violation of this section, the contract is void, and the agent must return any money received under the contract.

5 **Registration process.**

Subd. 1. Requirements. States the information that must be provided in the application for registration.

Subd. 2. Reciprocal applications or certificates. Requires the commissioner to accept a copy of a similar application under which the agent is registered in another state under certain conditions.

6 **Issuance of certificate of registration.**

Subd. 1. Authority. Requires the commissioner to issue the certificate of registration unless the commissioner finds that the applicant has engaged in conduct that makes the applicant unfit to be an athlete agent.

Subd. 2. Refusal. Specifies what conduct the commissioner may determine provides grounds to refuse to issue the certificate. Specifies how the commissioner must evaluate the seriousness of past conduct.

Subd. 3. Renewals. Specifies the procedure for renewals.

Subd. 4. Reciprocal renewals. Specifies the procedure for reciprocal renewals, based upon renewals obtained in other states.

Subd. 5. Term. Provides that registrations and renewals are valid for two years.

7 **Suspension, revocation, or refusal to renew registration.**

Subd. 1. Authority. Permits the commissioner to suspend, revoke, or refuse to renew a registration, on the same grounds that would permit an initial denial of an application.

Subd. 2. Notice and hearing requirement. Requires that any such action comply with chapter 14, which is the administrative procedures act.

8 **Temporary registration.** Permits the commissioner to issue a temporary certificate, if an application is pending.

9 **Registration and renewal fees.** States the as yet undetermined application fees for original registration and renewal. It is expected that reciprocal registrations based on applications already approved in other states will be less.

10 **Form of contract.**

Subd. 1. Required authentication. Requires that agency contracts be in a "record," as defined in this act and be signed or authenticated by the parties.

Subd. 2. Contents. States what must be in the contract, including disclosures to the student-athlete.

Subd. 3. Notice. Requires that the contract contain a specified notice to the student-athlete, warning that signing the contract may affect the athlete's eligibility to compete and informing the athlete of the requirement to inform the athletic director and of the athlete's 14 day right of rescission of the contract.

Subd. 4. Voidability. Provides that a contract that violates this section is void at the option of the athlete.

Subd. 5. Record to student athlete. Requires the agent to give the athlete a "record" of the contract.

11 **Notice to educational institution.**

Subd. 1. By athlete agent. Requires athlete's agent to notify the athlete's school after an agency contract has been signed. The notice must be given within 72 hours after the signing or before the next game, whichever is earlier. Requires that the notice be in a "record," as defined in this bill.

Subd. 2. By student athlete. Imposes the same requirement on student athletes as is imposed on athlete agents under subdivision 1, except the notice need not be in a "record." Provides that the commissioner has no enforcement authority with respect to student athletes.

12 **Student athlete's right to cancel.** Requires that student athletes be given the right to cancel an agency agreement within the 14-day period after it was signed. Provides that the right to cancel may not be waived. Provides that the cancellation is free to the student athlete.

13 **Required records.** Requires athlete agents to keep certain records. Permits the commissioner to inspect those records.

14 **Prohibited conduct.** Provides that agents may not do certain things to induce an athlete to sign an agency contract. Lists six things agents either must do or must not do. Provides that athlete agents must not violate an existing Minnesota law dealing with agency contracts and related matters.

15 **Criminal penalties.** Provides that an athlete agent who violates section 14 of this act is guilty of a gross misdemeanor.

16 **Civil remedies.** Provides a student athlete's school with a private right to sue an athlete agent or a former student athlete for damages the school incurs due to a violation of this act. Permits the court to award reasonable costs and attorney fees. Describes the types of losses a school can sue to recover. Provides that the right to sue does not accrue until the school knows or should have known about the violation. [This affects when the statute of limitations bars a suit.] Provides that the liability of an agent and an athlete is several and not joint. [This means neither of them is liable for the other's actions.]

17 **Administrative penalties.** Permits the commissioner to assess civil penalties on athlete agents who violate this act, under the commissioner's general enforcement procedures. Limits the penalty to \$25,000 per incident.

18 **Uniformity of application and construction.** Provides that the need for uniformity among states that have adopted this uniform act should be considered in interpreting this act.

19 **Electronic signatures.** Provides that this law is intended to conform with a federal law governing electronic signatures, but that in the case of any differences, this act governs.

20 **Severability.** Provides that if any section of this law is determined to be invalid, the other sections are still valid if they can survive without the invalid section.

21 **Effect on other law.** Provides that this act does not weaken existing section 325E.33.

22 **Appropriation.** Appropriates \$9,000 to the commissioner of commerce to administer this act.

23 **Effective date.** Makes this act effective January 1, 2003.