## Florida House of Representatives - 2001 By Representative Benson

A bill to be entitled 1 2 An act relating to athlete agents; revising pt. 3 IX, ch. 468, F.S., to adopt a uniform law for 4 regulating athlete agents in place of current 5 law regulating athlete agents; creating ss. 468.4611-468.4631, F.S.; providing a short б 7 title; providing definitions; providing for service of process and issuance of subpoenas; 8 9 requiring registration of athlete agents and providing requirements therefor; providing for 10 11 issuance and renewal of certificates of 12 registration; providing for suspension, 13 revocation, or refusal to renew registration; 14 providing for temporary registration; providing 15 fees; providing contract requirements; 16 requiring certain notice to educational institution; providing student-athlete's right 17 to cancel a contract; providing recordkeeping 18 19 requirements; prohibiting certain conduct; providing criminal penalties, civil remedies, 20 21 and administrative penalties; providing liability; providing for uniformity of 2.2 23 application and construction; providing 24 requirements with respect to electronic 25 records, signatures, and contracts; repealing 26 ss. 468.451-468.457, F.S., relating to 27 regulation of athlete agents, to conform; 2.8 providing applicability to current licensees; 29 providing severability; providing an effective 30 date.

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Be It Enacted by the Legislature of the State of Florida: 1 2 Section 1. Sections 468.4611, 468.4612, 468.4613, 3 468.4614, 468.4615, 468.4616, 468.4617, 468.4618, 468.4619, 4 5 468.4621, 468.4622, 468.4623, 468.4624, 468.4625, 468.4626, 468.4627, 468.4628, 468.4629, and 468.4631, Florida Statutes, 6 7 are created to read: 8 468.4611 Short title.--This part may be cited as the 9 "Uniform Athlete Agents Act." 10 468.4612 Definitions.--In this part: 11 (1) "Agency contract" means an agreement in which a 12 student-athlete authorizes a person to negotiate or solicit on 13 behalf of the student-athlete a professional-sports-services 14 contract or an endorsement contract. (2) "Athlete agent" means an individual who enters 15 16 into an agency contract with a student-athlete or, directly or 17 indirectly, recruits or solicits a student-athlete to enter into an agency contract. The term includes an individual who 18 represents to the public that the individual is an athlete 19 20 agent. The term does not include a spouse, parent, sibling, grandparent, or guardian of the student-athlete or an 21 22 individual acting solely on behalf of a professional sports team or professional sports organization. 23 24 (3) "Athletic director" means an individual responsible for administering the overall athletic program of 25 26 an educational institution or, if an educational institution 27 has separately administered athletic programs for male 28 students and female students, the athletic program for males 29 or the athletic program for females, as appropriate. (4) "Contact" means a communication, direct or 30 indirect, between an athlete agent and a student-athlete to 31

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1 recruit or solicit the student-athlete to enter into an agency 2 contract. 3 (5) "Department" means the Department of Business and 4 Professional Regulation. 5 (6) "Endorsement contract" means an agreement under б which a student-athlete is employed or receives consideration 7 to use on behalf of the other party any value that the 8 student-athlete may have because of publicity, reputation, 9 following, or fame obtained because of athletic ability or 10 performance. 11 (7) "Intercollegiate sport" means a sport played at 12 the collegiate level for which eligibility requirements for 13 participation by a student-athlete are established by a 14 national association for the promotion or regulation of 15 collegiate athletics. (8) "Person" means an individual, corporation, 16 17 business trust, estate, trust, partnership, limited liability company, association, joint venture, government or 18 19 governmental subdivision, agency, or instrumentality, public 20 corporation, or any other legal or commercial entity. (9) "Professional-sports-services contract" means an 21 22 agreement under which an individual is employed, or agrees to render services, as a player on a professional sports team, 23 24 with a professional sports organization, or as a professional 25 athlete. 26 (10) "Record" means information that is inscribed on a 27 tangible medium or that is stored in an electronic or other 28 medium and is retrievable in perceivable form. 29 (11) "Registration" means registration as an athlete agent pursuant to this part. 30 31

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(12) "State" means a state of the United States, the 1 2 District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the 3 4 jurisdiction of the United States. 5 (13) "Student-athlete" means an individual who engages б in, is eligible to engage in, or may be eligible in the future 7 to engage in any intercollegiate sport. If an individual is 8 permanently ineligible to participate in a particular 9 intercollegiate sport, the individual is not a student-athlete 10 for purposes of that sport. 11 468.4613 Service of process; subpoenas.--12 (1) By acting as an athlete agent in this state, a 13 nonresident individual appoints the department as the 14 individual's agent for service of process in any civil action 15 in this state related to the individual's acting as an athlete 16 agent in this state. (2) The department may issue subpoenas for any 17 material that is relevant to the administration of this part. 18 19 468.4614 Athlete agents; registration required; void 20 contracts.--(1) Except as otherwise provided in subsection (2), an 21 22 individual may not act as an athlete agent in this state 23 without holding a certificate of registration under s. 24 468.4616 or s. 468.4618. (2) Before being issued a certificate of registration, 25 26 an individual may act as an athlete agent in this state for 27 all purposes except signing an agency contract if: 28 (a) A student-athlete or another person acting on 29 behalf of the student-athlete initiates communication with the 30 individual; and 31

1 (b) Within 7 days after an initial act as an athlete 2 agent, the individual submits an application for registration as an athlete agent in this state. 3 4 (3) An agency contract resulting from conduct in violation of this section is void, and the athlete agent shall 5 6 return any consideration received under the contract. 7 468.4615 Registration as athlete agent; form; 8 requirements.--9 (1) An applicant for registration shall submit an 10 application for registration to the department in a form prescribed by the department. An application filed under this 11 section is a public record. The application must be in the 12 13 name of an individual and, except as otherwise provided in 14 subsection (2), signed or otherwise authenticated by the 15 applicant under penalty of perjury and must state or contain: 16 (a) The name of the applicant and the address of the 17 applicant's principal place of business; 18 (b) The name of the applicant's business or employer, 19 if applicable; 20 (c) Any business or occupation engaged in by the applicant for the 5 years next preceding the date of 21 22 submission of the application; 23 (d) A description of the applicant's: 24 1. Formal training as an athlete agent; 2. Practical experience as an athlete agent; and 25 26 3. Educational background relating to the applicant's 27 activities as an athlete agent; 28 (e) The names and addresses of three individuals not 29 related to the applicant who are willing to serve as 30 references; 31

(f) The name, sport, and last known team for each 1 2 individual for whom the applicant acted as an athlete agent 3 during the 5 years next preceding the date of submission of 4 the application; 5 (g) The names and addresses of all persons who are: б 1. With respect to the athlete agent's business if it 7 is not a corporation, the partners, members, officers, 8 managers, associates, or profit sharers of the business; and 9 2. With respect to a corporation employing the athlete agent, the officers, directors, and any shareholder of the 10 corporation having an interest of 5 percent or greater; 11 12 (h) Whether the applicant or any person named pursuant 13 to paragraph (g) has been convicted of a crime that, if 14 committed in this state, would be a crime involving moral 15 turpitude or a felony, and identify the crime; 16 (i) Whether there has been any administrative or judicial determination that the applicant or any person named 17 pursuant to paragraph (g) has made a false, misleading, 18 19 deceptive, or fraudulent representation; 20 (j) Any instance in which the conduct of the applicant or any person named pursuant to paragraph (g) resulted in the 21 imposition of a sanction, suspension, or declaration of 22 23 ineligibility to participate in an interscholastic or 24 intercollegiate athletic event on a student-athlete or educational institution; 25 26 (k) Any sanction, suspension, or disciplinary action 27 taken against the applicant or any person named pursuant to 28 paragraph (g) arising out of occupational or professional 29 conduct; and 30 (1) Whether there has been any denial of an application for, suspension or revocation of, or refusal to 31 6

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renew the registration or licensure of the applicant or any 1 2 person named pursuant to paragraph (g) as an athlete agent in 3 <u>any</u>state. 4 (2) An individual who has submitted an application 5 for, and holds a certificate of, registration or licensure as 6 an athlete agent in another state may submit a copy of the 7 application and certificate in lieu of submitting an 8 application in the form prescribed pursuant to subsection (1). 9 The department shall accept the application and the certificate from the other state as an application for 10 11 registration in this state if the application to the other 12 state: 13 (a) Was submitted in the other state within 6 months 14 next preceding the submission of the application in this state 15 and the applicant certifies that the information contained in 16 the application is current; (b) Contains information substantially similar to or 17 more comprehensive than that required in an application 18 19 submitted in this state; and 20 (c) Was signed by the applicant under penalty of 21 perjury. 22 468.4616 Certificate of registration; issuance or 23 denial; renewal.--24 (1) Except as otherwise provided in subsection (2), the department shall issue a certificate of registration to an 25 26 individual who complies with s. 468.4615(1) or whose application has been accepted under s. 468.4615(2). 27 28 (2) The department may refuse to issue a certificate 29 of registration if the department determines that the applicant has engaged in conduct that has a significant 30 adverse effect on the applicant's fitness to act as an athlete 31 7

agent. In making the determination, the department may 1 2 consider whether the applicant has: (a) Been convicted of a crime that, if committed in 3 4 this state, would be a crime involving moral turpitude or a 5 felony; б (b) Made a materially false, misleading, deceptive, or 7 fraudulent representation in the application or as an athlete 8 agent; 9 (c) Engaged in conduct that would disqualify the applicant from serving in a fiduciary capacity; 10 11 (d) Engaged in conduct prohibited by s. 468.4625; 12 (e) Had a registration or licensure as an athlete 13 agent suspended, revoked, or denied or been refused renewal of registration or licensure as an athlete agent in any state; 14 15 (f) Engaged in conduct the consequence of which was that a sanction, suspension, or declaration of ineligibility 16 to participate in an interscholastic or intercollegiate 17 athletic event was imposed on a student-athlete or educational 18 19 institution; or 20 (g) Engaged in conduct that significantly adversely reflects on the applicant's credibility, honesty, or 21 integrity. 22 23 (3) In making a determination under subsection (2), 24 the department shall consider: 25 (a) How recently the conduct occurred; 26 (b) The nature of the conduct and the context in which 27 it occurred; and 28 (c) Any other relevant conduct of the applicant. 29 (4) An athlete agent may apply to renew a registration by submitting an application for renewal in a form prescribed 30 by the department. An application filed under this section is 31 8

a public record. The application for renewal must be signed by 1 2 the applicant under penalty of perjury and must contain 3 current information on all matters required in an original 4 registration. 5 (5) An individual who has submitted an application for б renewal of registration or licensure in another state, in lieu 7 of submitting an application for renewal in the form 8 prescribed pursuant to subsection (4), may file a copy of the application for renewal and a valid certificate of 9 registration or licensure from the other state. The department 10 shall accept the application for renewal from the other state 11 12 as an application for renewal in this state if the application 13 to the other state: 14 (a) Was submitted in the other state within 6 months next preceding the filing in this state and the applicant 15 certifies the information contained in the application for 16 17 renewal is current; (b) Contains information substantially similar to or 18 more comprehensive than that required in an application for 19 20 renewal submitted in this state; and 21 (c) Was signed by the applicant under penalty of 22 perjury. (6) A certificate of registration or a renewal of a 23 24 registration is valid for 2 years. 468.4617 Suspension, revocation, or refusal to renew 25 26 registration.--(1) The department may suspend, revoke, or refuse to 27 28 renew a registration for conduct that would have justified denial of registration under s. 468.4616(2). 29 (2) The department may deny, suspend, revoke, or 30 refuse to renew a certificate of registration or licensure 31 9

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only after proper notice and an opportunity for a hearing. 1 Chapter 120, the Administrative Procedure Act, applies to this 2 3 part. 4 468.4618 Temporary registration.--The department may 5 issue a temporary certificate of registration while an 6 application for registration or renewal of registration is 7 pending. 8 468.4619 Registration and renewal fees.--An application for registration or renewal of registration must 9 10 be accompanied by a fee in the following amount: (1) For an initial application for 11 12 registration.....\$500. 13 (2) For an application for registration based upon a certificate of registration or licensure issued by another 14 15 state.....\$500. (3) For an application for renewal of 16 17 registration.....\$500. (4) For an application for renewal of registration 18 19 based upon an application for renewal of registration or 20 licensure submitted in another state.....\$500. 21 468.4621 Required form of contract.--22 (1) An agency contract must be in a record, signed, or 23 otherwise authenticated by the parties. 24 (2) An agency contract must state or contain: (a) The amount and method of calculating the 25 26 consideration to be paid by the student-athlete for services 27 to be provided by the athlete agent under the contract and any 28 other consideration the athlete agent has received or will receive from any other source for entering into the contract 29 or for providing the services; 30 31

(b) The name of any person not listed in the 1 2 application for registration or renewal of registration who will be compensated because the student-athlete signed the 3 4 agency contract; 5 (c) A description of any expenses that the 6 student-athlete agrees to reimburse; 7 (d) A description of the services to be provided to 8 the student-athlete; (e) The duration of the contract; and 9 10 (f) The date of execution. 11 (3) An agency contract must contain, in close 12 proximity to the signature of the student-athlete, a 13 conspicuous notice in boldface type in capital letters 14 stating: 15 16 WARNING TO STUDENT-ATHLETE 17 IF YOU SIGN THE CONTRACT: 18 19 1. YOU MAY LOSE YOUR ELIGIBILITY TO 20 COMPETE AS A STUDENT-ATHLETE IN YOUR SPORT; 21 2. IF YOU HAVE AN ATHLETIC DIRECTOR, 22 WITHIN 72 HOURS AFTER ENTERING INTO THE CONTRACT, BOTH YOU AND YOUR ATHLETE AGENT MUST 23 24 NOTIFY YOUR ATHLETIC DIRECTOR; AND 25 3. YOU MAY CANCEL THIS CONTRACT WITHIN 14 26 DAYS AFTER SIGNING IT. CANCELLATION OF THIS 27 CONTRACT MAY NOT REINSTATE YOUR ELIGIBILITY. 28 29 (4) An agency contract that does not conform to this 30 section is voidable by the student-athlete. If a student-athlete voids an agency contract, the student-athlete 31 11

is not required to pay any consideration under the contract or 1 2 to return any consideration received from the athlete agent to 3 induce the student-athlete to enter into the contract. 4 (5) The athlete agent shall give a record of the 5 signed or otherwise authenticated agency contract to the 6 student-athlete at the time of execution. 7 468.4622 Notice to educational institution .--8 (1) Within 72 hours after entering into an agency contract or before the next scheduled athletic event in which 9 the student-athlete may participate, whichever occurs first, 10 the athlete agent shall give notice in a record of the 11 12 existence of the contract to the athletic director of the 13 educational institution at which the student-athlete is 14 enrolled or the athlete agent has reasonable grounds to believe the student-athlete intends to enroll. 15 16 (2) Within 72 hours after entering into an agency contract or before the next athletic event in which the 17 student-athlete may participate, which ever occurs first, the 18 19 student-athlete shall inform the athletic director of the 20 educational institution at which the student-athlete is enrolled that he or she has entered into an agency contract. 21 22 468.4623 Student-athlete's right to cancel.--(1) A student-athlete may cancel an agency contract by 23 24 giving notice of the cancellation to the athlete agent in a 25 record within 14 days after the contract is signed. (2) A student-athlete may not waive the right to 26 27 cancel an agency contract. 28 (3) If a student-athlete cancels an agency contract, 29 the student-athlete is not required to pay any consideration under the contract or to return any consideration received 30

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from the athlete agent to induce the student-athlete to enter 1 2 into the contract. 3 468.4624 Required records.--4 (1) An athlete agent shall retain the following 5 records for a period of 5 years: 6 (a) The name and address of each individual 7 represented by the athlete agent; 8 (b) Any agency contract entered into by the athlete 9 agent; and 10 (c) Any direct costs incurred by the athlete agent in 11 the recruitment or solicitation of a student-athlete to enter 12 into an agency contract. 13 (2) Records required by subsection (1) to be retained 14 are open to inspection by the department during normal 15 business hours. 468.4625 Prohibited conduct.--16 (1) An athlete agent, with the intent to induce a 17 student-athlete to enter into an agency contract, may not: 18 19 (a) Give any materially false or misleading 20 information or make a materially false promise or 21 representation; 22 (b) Furnish anything of value to a student-athlete before the student-athlete enters into the agency contract; or 23 24 (c) Furnish anything of value to any individual other than the student-athlete or another registered athlete agent. 25 26 (2) An athlete agent may not intentionally: 27 (a) Initiate contact with a student-athlete unless 28 registered under this part; 29 (b) Refuse or fail to retain or permit inspection of the records required to be retained by s. 468.4624; 30 31 (c) Fail to register when required by s. 468.4614; 13

(d) Provide materially false or misleading information 1 in an application for registration or renewal of registration; 2 3 (e) Predate or postdate an agency contract; or 4 (f) Fail to notify a student-athlete before the 5 student-athlete signs or otherwise authenticates an agency 6 contract for a particular sport that the signing or 7 authentication may make the student-athlete ineligible to 8 participate as a student-athlete in that sport. 9 468.4626 Criminal penalties. -- An athlete agent who violates s. 468.4625 commits a felony of the second degree, 10 11 punishable as provided in s. 775.082, s. 775.083, or s. 12 775.084. 13 468.4627 Civil remedies.--(1) An educational institution has a right of action 14 15 against an athlete agent or a former student-athlete for 16 damages caused by a violation of this part. In an action under 17 this section, the court may award to the prevailing party costs and reasonable attorney's fees. 18 19 (2) Damages of an educational institution under 20 subsection (1) include losses and expenses incurred because, as a result of the conduct of an athlete agent or former 21 student-athlete, the educational institution was injured by a 22 violation of this part or was penalized, disqualified, or 23 24 suspended from participation in athletics by a national association for the promotion and regulation of athletics, by 25 26 an athletic conference, or by reasonable self-imposed 27 disciplinary action taken to mitigate sanctions likely to be 28 imposed by such an organization. 29 (3) A right of action under this section does not accrue until the educational institution discovers or by the 30 31

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exercise of reasonable diligence would have discovered the 1 2 violation by the athlete agent or former student-athlete. 3 (4) Any liability of the athlete agent or the former 4 student-athlete under this section is several and not joint. 5 (5) This part does not restrict rights, remedies, or б defenses of any person under law or equity. 7 468.4628 Administrative penalty.--The department may 8 assess a civil penalty against an athlete agent not to exceed 9 \$25,000 for a violation of this part. 10 468.4629 Uniformity of application and 11 construction. -- In applying and construing this uniform act, 12 consideration must be given to the need to promote uniformity 13 of the law with respect to its subject matter among states 14 that enact it. 15 468.4631 Electronic records, signatures, and 16 contracts.--The provisions of this part governing the legal effect, validity, or enforceability of electronic records or 17 signatures, and of contracts formed or performed with the use 18 of such records or signatures, conform to the requirements of 19 20 Section 102 of the Electronic Signatures in Global and National Commerce Act, Pub. L. No. 106-229, 114 Stat. 464 21 22 (2000), and supersede, modify, and limit the Electronic Signatures in Global and National Commerce Act. 23 24 Section 2. Sections 468.451, 468.452, 468.453, 468.4535, 468.4536, 468.454, 468.456, 468.4561, 468.45615, 25 26 468.4562, 468.4563, 468.4564, 468.4565, and 468.457, Florida 27 Statutes, are repealed. 28 Section 3. Any person who, on the effective date of this act, has a valid license as an athlete agent issued under 29 the provisions of part IX of chapter 468, Florida Statutes, 30 repealed by this act shall be considered registered under the 31

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provisions of part IX of chapter 468, Florida Statutes, 1 2 created by this act until the beginning of the immediately ensuing renewal period. At the time of renewal of such 3 4 license, such person must register as required under the 5 provisions of part IX of chapter 468, Florida Statutes, б created by this act. 7 Section 4. If any provision of this act or its 8 application to any person or circumstance is held invalid, the 9 invalidity does not affect other provisions or applications of this act which can be given effect without the invalid 10 11 provision or application, and to this end the provisions of 12 this act are severable. 13 Section 5. This act shall take effect July 1, 2001. 14 15 16 HOUSE SUMMARY 17 Adopts a uniform law for regulating athlete agents. Eliminates current law regulating athlete agents, to conform. See bill for details. 18 19 20 21 22 23 24 25 26 27 28 29 30 31