SUBSTITUTE SENATE BILL 6281

State of Washington 64th Legislature 2016 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Fain, Pedersen, Baumgartner, and Frockt; by request of Uniform Law Commission)

READ FIRST TIME 01/28/16.

AN ACT Relating to athlete agents; amending RCW 19.225.010, 19.225.020, 19.225.030, 19.225.040, 19.225.050, 19.225.060, 19.225.070, 19.225.080, 19.225.090, 19.225.100, and 19.225.120; and adding a new section to chapter 19.225 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 Sec. 1. RCW 19.225.010 and 2002 c 131 s 2 are each amended to 7 read as follows:

8 In this chapter:

9 (1) "Agency contract" means an agreement in which a 10 student((-))athlete authorizes a person to negotiate or solicit on 11 behalf of the ((student-))athlete a professional-sports-services 12 contract or an endorsement contract.

13 (2)(a) "Athlete agent" means an individual who ((enters into an agency contract with a student-athlete or,)):

(i) Directly 15 indirectly, recruits or solicits or а 16 student((-))athlete to enter into an agency contract or, for 17 compensation, procures employment or offers, promises, attempts, or negotiates to obtain employment for a student athlete as a 18 professional athlete or member of a professional sports team or 19 20 organization;

1 (ii) For compensation or in anticipation of compensation related to a student athlete's participation in athletics: 2 (A) Serves the athlete in an advisory capacity on a matter 3 related to finances, business pursuits, or career management 4 decisions, unless the individual is an employee of an educational 5 6 institution acting exclusively as an employee of the institution for 7 the benefit of the institution; or (B) Manages the business affairs of the athlete by providing 8 assistance with bills, payments, contracts, or taxes; or 9 10 (iii) In anticipation of representing a student athlete for a purpose related to the athlete's participation in athletics: 11 12 (A) Gives consideration to the student athlete or another person; (B) Serves the athlete in an advisory capacity on a matter 13 related to finances, business pursuits, or career management 14 15 decisions; or (C) Manages the business affairs of the athlete by providing 16 assistance with bills, payments, contracts, or taxes. 17 (b) "Athlete agent" does not include an individual who: 18 19 (i) Acts solely on behalf of a professional sports team or organization; or 20 (ii) Is a licensed, registered, or certified professional and 21 offers or provides services to a student athlete customarily provided 22 by members of the profession, unless the individual: 23 24 (A) Also recruits or solicits the athlete to enter into an agency 25 <u>contract;</u> (B) Also, for compensation, procures employment or offers, 26 27 promises, attempts, or negotiates to obtain employment for the athlete as a professional athlete or member of a professional sports 28 29 team or organization; or 30 (C) Receives consideration for providing the services calculated using a different method than for an individual who is not a student 31 athlete. ((The term does not include a spouse, parent, sibling, 32 grandparent, or legal guardian of the student-athlete or an 33 individual acting solely on behalf of a professional sports team or 34 professional sports organization. The term includes an individual who 35 represents to the public that the individual is an athlete agent.)) 36 (3) "Athletic director" means ((an)) the individual responsible 37 for administering the overall athletic program of an educational 38 39 institution or, if an educational institution has separately 40 administered athletic programs for male students and female students,

the athletic program for males or the athletic program for females,
 as appropriate.

3 (4) "Contact" means a communication, direct or indirect, between 4 an athlete agent and a student((-))athlete, to recruit or solicit the 5 student((-))athlete to enter into an agency contract.

6 (5) <u>"Educational institution" includes a public or private</u>
7 <u>elementary school, secondary school, technical or vocational school,</u>
8 <u>community college, college, and university.</u>

9 (6) "Endorsement contract" means an agreement under which a 10 student((-))athlete is employed or receives consideration to use on 11 behalf of the other party any value that the student((-))athlete may 12 have because of publicity, reputation, following, or fame obtained 13 because of athletic ability or performance.

14 ((((6))) <u>(7) "Enrolled" means registered for courses and attending</u> 15 <u>athletic practice or class. "Enrolls" has a corresponding meaning.</u>

16 (8) "Intercollegiate sport" means a sport played at the 17 collegiate level for which eligibility requirements for participation 18 by a student((-))athlete are established by a national association 19 ((for the promotion or regulation of)) that promotes or regulates 20 collegiate athletics.

21 (((7))) <u>(9) "Interscholastic sport" means a sport played between</u>
22 <u>educational institutions that are not community colleges, colleges,</u>
23 <u>or universities.</u>

(10) "Licensed, registered, or certified professional" means an 24 25 individual licensed, registered, or certified as an attorney, dealer in securities, financial planner, insurance agent, real estate broker 26 27 or sales agent, tax consultant, accountant, or member of a 28 profession, other than that of athlete agent, who is licensed, registered, or certified by the state or a nationally recognized 29 organization that licenses, registers, or certifies members of the 30 profession on the basis of experience, education, or testing. 31

32 (11) "Person" means an individual, <u>estate</u>, <u>business or nonprofit</u> 33 <u>entity</u>, <u>public</u> corporation, ((business trust, estate, trust, 34 <u>partnership</u>, <u>limited liability company</u>, <u>association</u>, <u>joint venture</u>, 35 or)) government((\div)) <u>or</u> governmental subdivision, agency, or 36 instrumentality((\div <u>public corporation</u> \div)), or any other legal or 37 commercial entity.

38 (((8))) <u>(12)</u> "Professional-sports-services contract" means an 39 agreement under which an individual is employed <u>as a professional</u> 40 <u>athlete</u> or agrees to render services as a player on a professional sports team((,)) or with a professional sports organization((, or as a professional athlete)).

3 (((9))) (13) "Record" means information that is inscribed on a 4 tangible medium or that is stored in an electronic or other medium 5 and is retrievable in perceivable form.

б ((((10))) (14) "Recruit or solicit" means the attempt to influence the choice of an athlete agent by a student athlete or, if the 7 athlete is a minor, a parent or guardian of the athlete. The term 8 does not include giving advice on the selection of a particular 9 athlete agent in a family, coaching, or social situation unless the 10 individual giving the advice does so because of the receipt or 11 12 anticipated receipt of an economic benefit, directly or indirectly, 13 from the athlete agent.

14 <u>(15) "Sign" means, with present intent to authenticate or adopt a</u> 15 <u>record:</u>

16 <u>(a) To execute or adopt a tangible symbol; or</u>

17 (b) To attach to or logically associate with the record an 18 electronic symbol, sound, or process.

19 <u>(16)</u> "State" means a state of the United States, the District of 20 Columbia, Puerto Rico, the United States Virgin Islands, or any 21 territory or insular possession subject to the jurisdiction of the 22 United States.

((((11))) (17) "Student((-))athlete" means an individual who is 23 eligible to attend an educational institution and engages in, 24 is 25 eligible to engage in, or may be eligible in the future to engage in, 26 any <u>interscholastic or</u> intercollegiate sport. ((If)) The term does <u>not include</u> an individual ((is)) permanently ineligible to 27 participate in a particular <u>interscholastic or</u> intercollegiate 28 29 sport((, the individual is not a student-athlete)) for ((purposes of)) that sport. 30

31 **Sec. 2.** RCW 19.225.020 and 2002 c 131 s 3 are each amended to 32 read as follows:

By ((engaging in the business of)) acting as an athlete agent in this state, a nonresident individual appoints the secretary of state as the individual's agent ((to accept)) for service of process in any civil action <u>in this state</u> related to ((the individual's business)) acting as an athlete agent in this state.

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1 **Sec. 3.** RCW 19.225.030 and 2002 c 131 s 4 are each amended to 2 read as follows:

3 (1) Except as otherwise provided in subsection (2) of this 4 section, an individual may not act as an athlete agent in this state 5 unless on the day of initial contact with any student((-))athlete the 6 athlete agent delivers to the student((-))athlete the athlete agent 7 disclosure form as required by RCW 19.225.040.

8 (2) An individual may act as an athlete agent before delivering 9 an athlete agent disclosure form for all purposes except signing an 10 agency contract if:

(a) A student((-))athlete or another <u>person</u> acting on behalf of the ((student-))athlete initiates communication with the individual; and

14 (b) ((Within)) Not later than seven days after an initial act as 15 an athlete agent, the individual delivers an athlete agent disclosure 16 form to the student((-))athlete.

17 (3) An agency contract resulting from conduct in violation of 18 this section is void((-)), and the athlete agent shall return any 19 consideration received under the contract.

20 **Sec. 4.** RCW 19.225.040 and 2002 c 131 s 5 are each amended to 21 read as follows:

(1) The athlete agent disclosure form must be in a record executed in the name of an individual and signed by the athlete agent under penalty of perjury and, except as otherwise provided in subsection (2) of this section, must ((state or)) contain <u>at least</u> <u>the following</u>:

27 (a) The name of the athlete agent and <u>the following contact</u>
 28 <u>information for the agent:</u>

29 <u>(i)</u> The address of the athlete agent's principal place of 30 business;

31

(ii) Work and mobile telephone numbers; and

32 <u>(iii) Any means of communicating electronically, including a</u> 33 <u>facsimile number, email address, and personal and business or</u> 34 <u>employer web sites;</u>

35 (b) The name of the athlete agent's business or employer, if 36 applicable, including for each business or employer, its mailing 37 <u>address</u>, telephone number, organization form, and nature of the 38 <u>business</u>; 1 2 (c) ((Any)) Each social media account with which the athlete agent or the agent's business or employer is affiliated;

3 (d) Each business or occupation in which the athlete agent 4 engaged ((in by the athlete agent for the)) within five years ((next 5 preceding)) before the date of execution of the athlete agent 6 disclosure form, including self-employment and employment by others, 7 and any professional or occupational license, registration, or 8 certification held by the agent during that time;

(((d))) <u>(e)</u> A description of the athlete agent's:

9 10

(i) Formal training as an athlete agent;

11

(ii) Practical experience as an athlete agent; and

12 (iii) Educational background relating to the athlete agent's 13 activities as an athlete agent;

14 (((e) The names and addresses of three individuals not related to 15 the athlete agent who are willing to serve as references;))

(f) The name((, sport, and last known team for each individual))
of each student athlete for whom the athlete agent ((provided services)) acted as an athlete agent ((during)) within the five years ((next preceding)) before the date of execution of the athlete agent disclosure form or, if the individual is a minor, the name of the parent or guardian of the minor, together with the athlete's sport and last-known team;

23 (g) The names and addresses of ((all persons who are)) each 24 person that:

(i) ((With respect to the athlete agent's business if it is not a corporation, the partners, officers, associates, or profit-sharers)) Is a partner, member, officer, manager, associate, or profit sharer or directly or indirectly holds an equity interest of five percent or greater of the athlete agent's business if it is not a corporation; and

(ii) ((With respect to a corporation employing the athlete agent, the officers, directors, and any shareholder of the corporation with a five percent or greater interest)) Is an officer or director of a corporation employing the athlete agent or a shareholder having an interest of five percent or greater in the corporation;

(h) <u>A description of the status of any application by the athlete</u>
 agent, or any person named under (g) of this subsection, for a state
 or federal business, professional, or occupational license, other
 than as an athlete agent, from a state or federal agency, including

1 any denial, refusal to renew, suspension, withdrawal, or termination of the license and any reprimand or censure related to the license; 2 (i) Whether the athlete agent or any other person named pursuant 3 to (g) of this subsection has pleaded guilty or no contest to, has 4 been convicted of, or has charges pending for, a ((crime that, if 5 6 committed in this state, would be a)) felony or other crime involving 7 moral turpitude, and ((identify)), if so, identification of: 8 (i) The crime; 9 (((i))) (ii) The law enforcement agency involved; and (iii) If applicable, the date of the conviction and the fine or 10 11 penalty imposed; (j) Whether, within fifteen years before the date of execution of 12 the athlete agent disclosure form, the athlete agent, or any person 13 named under (g) of this subsection, has been a defendant or 14 respondent in a civil proceeding, including a proceeding seeking an 15 16 adjudication of legal incompetence and, if so, the date and a full 17 explanation of each proceeding; (k) Whether the athlete agent, or any person named under (g) of 18 this subsection, has an unsatisfied judgment or a judgment of 19 continuing effect, including maintenance or a domestic order in the 20 nature of child support, which is not current at the date of 21 execution of the athlete agent disclosure form; 22 (1) Whether, within ten years before the execution of the athlete 23 agent disclosure form, the athlete agent, or any person named under 24 25 (g) of this subsection, was adjudicated bankrupt or was an owner of a 26 business that was adjudicated bankrupt; 27 (m) Whether there has been any administrative or judicial determination that the athlete agent, or any other person named 28 29 ((pursuant to)) <u>under</u> (g) of this subsection ((has)), made a false, misleading, deceptive, or fraudulent representation; 30 31 (((j) Any)) <u>(n) Each</u> instance in which the conduct of the athlete agent, or any other person named ((pursuant to)) under (g) of this 32 subsection, resulted in the imposition of a sanction, suspension, or 33 declaration of ineligibility to participate in an interscholastic 34 ((or)), intercollegiate, or professional athletic event on 35 а 36 student((-))athlete or <u>a sanction on an</u> educational institution; 37 ((((k) Any)) (<u>o) Each</u> sanction, suspension, or disciplinary action taken against the athlete agent, or any other person named ((pursuant 38 to)) under (g) of this subsection, arising out of occupational or 39

40 professional conduct; ((and

1 (1)) (p) Whether there has been ((any)) <u>a</u> denial of an 2 application for, suspension or revocation of, ((or)) refusal to 3 renew, <u>or abandonment of</u>, the registration ((or licensure)) of the 4 athlete agent, or any other person named ((pursuant to)) <u>under</u> (g) of 5 this subsection, as an athlete agent in any state;

6 (q) Each state in which the applicant currently is registered as
7 an athlete agent or has applied to be registered as an athlete agent;
8 and

9 <u>(r) If the athlete agent is certified or registered by a</u> 10 professional league or players association:

(i) The name of the league or association;

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12 <u>(ii) The date of certification or registration, and the date of</u> 13 <u>expiration of the certification or registration, if any; and</u>

14 (iii) If applicable, the date of any denial of an application 15 for, suspension or revocation of, refusal to renew, withdrawal of, or 16 termination of, the certification or registration or any reprimand or 17 censure related to the certification or registration.

Instead of delivering an athlete agent disclosure form 18 (2) pursuant to subsection (1) of this section, an individual who ((has 19 submitted an application for, and received a certificate of or a 20 21 renewal of a certificate of, registration)) is registered or ((licensure)) licensed as an athlete agent in another state may 22 ((submit a copy of the application and a valid certificate of 23 registration or licensure from the other state in lieu of submitting 24 25 an athlete agent disclosure form in the form prescribed pursuant to subsection (1) of this section, but only if the application to the 26 27 other state:

28 (a) Was submitted in the other state within the six months next 29 preceding the date of delivery of the athlete agent disclosure form 30 in this state and the athlete agent certifies the information 31 contained in the application is current;

32 (b) Contains information substantially similar to or more 33 comprehensive than that required in an athlete agent disclosure form 34 under subsection (1) of this section; and

35 (c) Was signed by the athlete agent under penalty of perjury.))
36 deliver:

37 <u>(a) A copy of the application for registration or licensure in</u> 38 <u>the other state;</u> (b) A statement that identifies any material change in the
 information on the application or verifies there is no material
 change in the information, signed under penalty of perjury; and

4 (c) A copy of the valid certificate of registration or licensure 5 from the other state.

6 **Sec. 5.** RCW 19.225.050 and 2002 c 131 s 6 are each amended to 7 read as follows:

8 No person may engage in the business of an athlete agent who has:

9 (1) <u>Pleaded guilty or no contest to, has b</u>een convicted of, or 10 <u>has charges pending for,</u> a ((crime that, if committed in this state, 11 would be a)) felony or other crime involving moral turpitude;

(2) Made a materially false, misleading, deceptive, or fraudulent
representation as an athlete agent or in the application for
licensure or registration as an athlete agent in another state;

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(3) Engaged in conduct prohibited by RCW 19.225.100;

16 (4) Had a registration or licensure as an athlete agent 17 suspended, revoked, or denied ((or been refused renewal of 18 registration or licensure)) in any state; ((or))

19 (5) <u>Been refused renewal of registration as an athlete agent in</u> 20 <u>any state; or</u>

21 (6) Engaged in conduct ((or failed to engage in conduct the 22 consequence of which was that)) resulting in imposition of a 23 sanction, suspension, or declaration of ineligibility to participate 24 in an interscholastic ((or)), intercollegiate, or professional 25 athletic event ((was imposed)) on a student((-))athlete or a sanction 26 on an educational institution.

27 **Sec. 6.** RCW 19.225.060 and 2002 c 131 s 7 are each amended to 28 read as follows:

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(1) An agency contract must be in a record signed by the parties.

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(2) An agency contract must ((state or)) contain:

(a) The amount and method of calculating the consideration to be paid by the student((-))athlete for services to be provided by the athlete agent under the contract and any other consideration the athlete agent has received or will receive from any other source for entering into the contract or for providing the services;

36 (b) The name of any person other than the athlete agent who will 37 be compensated because the student((-))athlete signed the ((agency)) 38 contract;

- 1 (c) A description of any expenses ((that)) the 2 student((-))athlete agrees to reimburse;
- 3 (d) A description of the services to be provided to the
 4 ((student-))athlete;
- 5 (e) The duration of the contract; and
- 6 (f) The date of execution.

7 (3) <u>Subject to subsection (7) of this section, an agency contract</u> 8 must contain((, in close proximity to the signature of the student-9 athlete,)) a conspicuous notice in boldface type ((in capital letters 10 stating)) and in substantially the following form:

11

WARNING TO STUDENT((-))ATHLETE

- 12 IF YOU SIGN THIS CONTRACT:
- 13(a) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A14STUDENT((-))ATHLETE IN YOUR SPORT;

15 (b) BOTH YOU AND YOUR ATHLETE AGENT ((ARE REQUIRED TO TELL)) MUST NOTIFY YOUR ATHLETIC DIRECTOR, IF YOU HAVE AN ATHLETIC DIRECTOR, AT 16 17 LEAST SEVENTY-TWO HOURS PRIOR TO ENTERING INTO AN AGENCY CONTRACT 18 THAT YOU INTEND TO ENTER INTO THIS CONTRACT AND PROVIDE THE NAME AND 19 CONTACT INFORMATION OF THE ATHLETE AGENT AND AGAIN WITHIN SEVENTY-TWO HOURS AFTER ENTERING INTO AN AGENCY CONTRACT THAT YOU HAVE ENTERED 20 INTO THIS CONTRACT AND PROVIDE THE NAME AND CONTACT INFORMATION OF 21 THE ATHLETE AGENT; AND 22

(c) YOU MAY CANCEL THIS CONTRACT WITHIN ((FOURTEEN)) <u>14</u> DAYS
 AFTER SIGNING IT. CANCELLATION OF ((THE)) <u>THIS</u> CONTRACT MAY NOT
 REINSTATE YOUR ELIGIBILITY AS A STUDENT ATHLETE IN YOUR SPORT.

(4) ((A copy of the athlete agent disclosure form delivered to the student-athlete shall be attached to the agency contract.)) An agency contract must be accompanied by a separate record signed by the student athlete or, if the athlete is a minor, the parent or guardian of the athlete acknowledging that signing the contract may result in the loss of the athlete's eligibility to participate in the athlete's sport.

(5) ((An agency contract that does not conform to this section is voidable by the student-athlete.)) A student athlete or, if the athlete is a minor, the parent or guardian of the athlete may void an agency contract that does not conform to this section. If the contract is voided, any consideration received from the athlete agent under the contract to induce entering into the contract is not required to be returned. 1 (6) ((The athlete agent shall give a copy of the signed agency 2 contract to the student-athlete at the time of signing.)) At the time 3 an agency contract is executed, the athlete agent shall give the 4 student athlete or, if the athlete is a minor, the parent or guardian 5 of the athlete a copy in a record of the contract and the separate 6 acknowledgment required in subsection (4) of this section.

7 (7) If a student athlete is a minor, an agency contract must be
8 signed by the parent or guardian of the minor and the notice required
9 by subsection (3) of this section must be revised accordingly.

10 **Sec. 7.** RCW 19.225.070 and 2002 c 131 s 8 are each amended to 11 read as follows:

12 (1) ((At least)) In this section, "communicating or attempting to 13 communicate" means contacting or attempting to contact by an in-14 person meeting, a record, or any other method that conveys or 15 attempts to convey a message.

16 (2) Not later than seventy-two hours prior to entering into an agency contract and again not later than seventy-two hours after 17 entering into an agency contract, or before the next scheduled 18 athletic event in which the student athlete may participate, 19 whichever occurs first, the athlete agent shall give notice in a 20 record of the existence of the contract ((and shall provide a copy of 21 the athlete agent disclosure form)) to the athletic director of the 22 educational institution at which the ((student-))athlete is enrolled 23 24 or at which the athlete agent has reasonable grounds to believe the 25 ((student-))athlete intends to enroll.

(((2) Within seventy-two hours after entering into an agency 26 27 contract or before the next scheduled athletic event in which the student-athlete may participate, whichever occurs first, the athlete 28 29 agent shall give notice in a record of the existence of the contract 30 and shall provide a copy of the athlete agent disclosure form to the athletic director of the educational institution at which the 31 student-athlete is enrolled or the athlete agent has reasonable 32 grounds to believe the student-athlete intends to enroll.)) 33

(3) ((At least seventy-two hours prior to entering into an agency contract, the student-athlete shall give notice in a record of the existence of the contract and shall provide a copy of the athlete agent disclosure form to the athletic director of the educational institution at which the student-athlete is enrolled.

1 (4) Within)) Not later than seventy-two hours prior to entering into an agency contract and again not later than seventy-two hours 2 after entering into an agency contract or before the next scheduled 3 athletic event in which the student((-))athlete may participate, 4 whichever occurs first, the ((student-))athlete shall inform the 5 6 athletic director of the educational institution at which the 7 ((student-))athlete is enrolled that ((he or she)) the athlete has entered into an agency contract and ((shall provide a copy of the 8 athlete agent disclosure form)) the name and contact information of 9 the athlete agent. 10

11 (4) If an athlete agent enters into an agency contract with a 12 student athlete and the athlete subsequently enrolls at an 13 educational institution, the athlete agent shall notify the athletic 14 director of the institution of the existence of the contract not 15 later than seventy-two hours after the athlete agent knew or should 16 have known the athlete enrolled.

17 (5) If an athlete agent has a relationship with a student athlete 18 before the athlete enrolls in an educational institution and receives 19 an athletic scholarship from the institution, the athlete agent shall 20 notify the institution of the relationship not later than ten days 21 after the enrollment if the athlete agent knows or should have known 22 of the enrollment and:

23 (a) The relationship was motivated in whole or part by the 24 intention of the athlete agent to recruit or solicit the athlete to 25 enter an agency contract in the future; or

26 (b) The athlete agent directly or indirectly recruited or 27 solicited the athlete to enter an agency contract before the 28 enrollment.

29 (6) An athlete agent shall give notice in a record to the 30 athletic director of any educational institution at which a student 31 athlete is enrolled before the athlete agent communicates or attempts 32 to communicate with:

33 (a) The athlete or, if the athlete is a minor, a parent or 34 guardian of the athlete, to influence the athlete or parent or 35 guardian to enter into an agency contract; or

36 (b) Another individual to have that individual influence the 37 athlete or, if the athlete is a minor, the parent or guardian of the 38 athlete to enter into an agency contract.

39 (7) If a communication or attempt to communicate with an athlete 40 agent is initiated by a student athlete or another individual on

1 behalf of the athlete, the athlete agent shall notify in a record the athletic director of any educational institution at which the athlete 2 is enrolled. The notification must be made not later than ten days 3 after the communication or attempt. 4 (8) An educational institution that becomes aware of a violation 5 б of this act by an athlete agent shall notify any professional league 7 or players association with which the institution is aware the athlete agent is licensed or registered of the violation. 8 9 RCW 19.225.080 and 2002 c 131 s 9 are each amended to Sec. 8.

(1) A student((-))athlete <u>or</u>, <u>if</u> the <u>athlete</u> is <u>a minor</u>, <u>the</u> <u>parent or guardian of the athlete</u> may cancel an agency contract by giving notice in a record <u>of cancellation</u> to the athlete agent ((of the cancellation within)) <u>not later than</u> fourteen days after the contract is signed.

10

read as follows:

16 (2) A student((-))athlete <u>or</u>, <u>if</u> the athlete is a minor, the 17 <u>parent or quardian of the athlete</u> may not waive the right to cancel 18 an agency contract.

19 (3) If a student((-))athlete, parent, or quardian cancels an 20 agency contract, the ((student-))athlete, parent, or quardian is not 21 required to pay any consideration under the contract or to return any 22 consideration received from the <u>athlete</u> agent to ((induce)) <u>influence</u> 23 the ((student-))athlete to enter into the contract.

24 **Sec. 9.** RCW 19.225.090 and 2002 c 131 s 10 are each amended to 25 read as follows:

(1) An athlete agent shall <u>create and</u> retain ((the following
 records)) for ((a period of)) five years <u>records of the following</u>:

(a) The name and address of each individual represented by theathlete agent;

30 (b) ((Any)) <u>Each</u> agency contract entered into by the athlete 31 agent; and

32 (c) ((Any)) <u>The</u> direct costs incurred by the athlete agent in the 33 recruitment or solicitation of ((a)) <u>each</u> student((-))athlete <u>to</u> 34 enter into an agency contract.

35 (2) Records ((required by)) <u>described in</u> subsection (1) of this 36 section ((to be retained)) are subject to subpoena in a judicial 37 proceeding. 1 **Sec. 10.** RCW 19.225.100 and 2002 c 131 s 11 are each amended to 2 read as follows:

3 (1) An athlete agent, with the intent to influence a student 4 athlete or, if the athlete is a minor, a parent or guardian of the 5 athlete to enter into an agency contract, may not ((do)) take any of 6 the following ((with the intent to induce a student-athlete to enter 7 into an agency contract)) actions or encourage any other individual 8 to take or assist any other individual in taking any of the following 9 actions on behalf of the athlete agent:

10 (a) Give ((any)) materially false or misleading information or 11 make a materially false promise or representation;

12 (b) Furnish anything of value to ((a student-athlete)) the 13 <u>athlete</u> before the ((student-))athlete enters into the ((agency)) 14 contract; or

(c) Furnish anything of value to ((any)) an individual other than
 the ((student-))athlete or another registered athlete agent.

17 (2) An athlete agent may not intentionally <u>do any of the</u> 18 <u>following or encourage any other individual to do any of the</u> 19 <u>following on behalf of the agent</u>:

20 Initiate contact, <u>directly</u> or <u>indirectly</u>, (a) with а student((-))athlete or, if the athlete is a minor, a parent or 21 guardian of the athlete, to recruit or solicit the athlete, parent, 22 or guardian to enter an agency contract unless providing 23 the 24 ((student-))athlete with the athlete agent disclosure form as 25 provided in RCW 19.225.030;

(b) Refuse or willfully fail to retain or produce in response to subpoena the records required by RCW 19.225.090;

28

(c) Fail to disclose information required by RCW 19.225.040;

29 (d) Provide materially false or misleading information in an 30 athlete agent disclosure form;

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(e) Predate or postdate an agency contract;

(f) Fail to notify a student((-))athlete ((prior to the studentathlete's signing)) or, if the athlete is a minor, a parent or quardian of the athlete, before the athlete, parent, or guardian signs an agency contract for a particular sport that the signing ((by the student-athlete)) may make the ((student-))athlete ineligible to participate as a student((-))athlete in that sport;

38 (g) Ask or allow a student((-))athlete to waive or attempt to 39 waive rights under this chapter;

40

(h) Fail to give notice required under RCW 19.225.070; or

(i) Engage in the business of an athlete agent in this state: (A)
 At any time after conviction under RCW 19.225.110; or (B) within five
 years of entry of a civil judgment under RCW 19.225.120.

4 **Sec. 11.** RCW 19.225.120 and 2002 c 131 s 13 are each amended to 5 read as follows:

6 (1) An educational institution ((has a right of)) or student 7 <u>athlete may bring an action for damages</u> against an athlete agent ((or 8 <u>a former student-athlete for damages caused by a</u>)) <u>if the institution</u> 9 <u>or athlete is adversely affected by an act or omission of the agent</u> 10 <u>in</u> violation of this chapter. ((In an action under this section, the 11 <u>court may award to the prevailing party costs and reasonable</u> 12 <u>attorneys' fees.</u>

(2) Damages of an educational institution under subsection (1) of 13 this section include losses and expenses incurred because, as a 14 result of the activities of an athlete agent or former student-15 16 athlete, the educational institution was injured by a violation of this chapter or was penalized, disqualified, or suspended from 17 participation in athletics by a national association for the 18 promotion and regulation of athletics, by an athletic conference, or 19 by reasonable self-imposed disciplinary action taken to mitigate 20 21 sanctions.

22 (3) A right of action under this section does not accrue until 23 the educational institution discovers or by the exercise of 24 reasonable diligence would have discovered the violation by the 25 athlete agent or former student-athlete.

26 (4) Any liability of the athlete agent or the former student-27 athlete under this section is several and not joint.

(5) This chapter does not restrict rights, remedies, or defenses of any person under law or equity.)) An educational institution or student athlete is adversely affected by an act or omission of the athlete agent only if, because of the act or omission, the institution or an individual who was a student athlete at the time of the act or omission and enrolled in the institution:

34 (a) Is suspended or disqualified from participation in an 35 interscholastic or intercollegiate sport event by or under the rules 36 of a state or national federation or association that promotes or 37 regulates interscholastic or intercollegiate sports; or

38 (b) Suffers financial damage.

1 (2) A plaintiff that prevails in an action under this section may 2 recover actual damages and costs, and reasonable attorneys' fees. An 3 athlete agent found liable under this section forfeits any right of 4 payment for anything of benefit or value provided to the student 5 athlete and shall refund any consideration paid to the athlete agent 6 by or on behalf of the athlete.

7 (3) A violation of this chapter is not reasonable in relation to 8 the development and preservation of business and is an unfair or 9 deceptive act in trade and commerce and an unfair method of 10 competition for the purposes of applying the consumer protection act, 11 chapter 19.86 RCW.

12 <u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 19.225 13 RCW to read as follows:

This act modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

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