# FINAL BILL REPORT SSB 6281

## C 13 L 16 E 1 FULL VETO VETO OVERRIDE

Synopsis as Enacted

**Brief Description**: Enacting amendments to the uniform athlete agents act.

**Sponsors**: Senate Committee on Commerce & Labor (originally sponsored by Senators Fain, Pedersen, Baumgartner and Frockt; by request of Uniform Law Commission).

Senate Committee on Commerce & Labor House Committee on Business & Financial Services

**Background**: <u>Uniform Athlete Agent Act.</u> In 2000, the National Conference of Commissioners on Uniform State Laws drafted the Uniform Athlete Agents Act (UAAA). UAAA, which has been enacted in 42 states, governs relationships among student athletes, athlete agents, and educational institutions. It protects the interests of student athletes and educational institutions by regulating the activities of athlete agents.

Washington Uniform Athlete Agent Act. In 2002, the Washington Uniform Athlete Agents Act (WUAAA) was enacted, based on the Uniform Athlete Agents Act. However, the UAAA has provisions requiring the registration of athlete agents while the WUAAA does not.

<u>Disclosure to the Athlete.</u> Under WUAAA, if an agent initiates contact with a college athlete, the agent must provide the athlete with a disclosure form within seven days after an initial act as agent. 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 the seven days, any contract signed by the athlete is null and void.

Agent Athlete Contracts. Required elements of the agent athlete contract are specified in statute, including a description of any expenses the student athlete agrees to pay and a disclaimer that athletes may lose their eligibility to compete as students 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.

Notice to the Educational Institution. At least 72 hours prior to signing a contract, and within 72 hours after signing a contract, both the student athlete and the agent must notify the

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athletic director of the student's educational institution, and must provide the athletic director with a copy of the agent's disclosure form.

Prohibited Individuals and Criminal and Civil Penalties. No person may be an agent in this state if the person has been convicted of a felony or other crime involving moral turpitude, the person's license has been suspended by another state, or if the person's behavior has resulted in sanctions to an athlete or an educational institution. Prohibited acts under the WUAAA 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.

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

Revised Uniform Athlete Agent Act. In 2015, the National Conference of Commissioners on Uniform State Laws revised the UAAA to the Revised Uniform Athlete Agent Act (RUAAA). The RUAAA makes numerous changes to the original act, including expanding the definition of "athlete agent" and "student athlete," providing for reciprocal registration between states; adding new requirements to the signing of an agency contract; and expanding notification requirements.

**Summary**: <u>Definitions</u>. The definition of "athlete agent" is expanded. The term does not include an individual who: (1) acts solely on behalf of a professional sports team or organization; or (2) is a licensed, registered, or certified professional and offers or provides services to a student athlete customarily provided by members of the profession, unless the individual meets certain specified conditions.

Other definitions are added

<u>Disclosures.</u> Additional items are required in the disclosure form, including telephone numbers, email addresses, web sites, social media accounts, information about affiliated persons, certain civil proceedings, and registration and certification in other states or professional leagues or associations.

<u>Prohibited Individuals and Agency Contracts.</u> Provisions are expanded prohibiting persons from engaging as an athlete agent with respect to crimes and when an agent is refused registration renewal in other states. Additional information is required in an agency contract and in the warning to the student athletes.

<u>Minors.</u> When a student athlete is a minor, information and notices must be given to the parent or guardian and the contract must be signed by the parent or guardian.

<u>Required Notices.</u> Notices must be given to an athletic director: (1) not later than 72 hours prior to signing a contract; again not later than 72 hours after entering into the contract; or before the student's next scheduled athletic event, whichever is earlier; and (2) after enrollment in an educational institution if the contract is signed before enrollment.

Additional notices are required when an athletic scholarship is involved and before certain communication with the student athlete.

<u>Reporting of Violations.</u> An educational institution that becomes aware of an agent's violation of the WUAAA must notify any professional league or players association with which the institution is aware the agent is licensed or registered of the existence of the violation.

<u>Right to Action for Damages and Consumer Protection Act.</u> An educational institution or a student athlete may bring an action for actual damages and attorneys' fees and costs. Violations are considered Consumer Protection Act violations.

Provisions regarding prohibited acts are expanded and other technical changes are made.

#### **Votes on Final Passage:**

Senate 48 0 House 94 3

#### **Votes on Veto Override:**

### First Special Session

Senate 40 0 House 85 9

Effective: June 28, 2016