

Maddox
Redfern
Hammond

Succeeded By
SF/HF 483

SSB-1246
Judiciary

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON MADDOX)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the uniform athlete agents Act and providing
2 penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 9A.1 TITLE.

2 This chapter shall be known as the "Uniform Athlete Agents
3 Act".

4 Sec. 2. NEW SECTION. 9A.2 DEFINITIONS.

5 As used in this chapter, unless the context otherwise
6 requires:

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

11 2. "Athlete agent" means an individual who enters into an
12 agency contract with a student athlete or, directly or
13 indirectly, recruits or solicits a student athlete to enter
14 into an agency contract. The term includes an individual who
15 represents to the public that the individual is an athlete
16 agent. The term does not include a spouse, parent, sibling,
17 grandparent, or guardian of the student athlete or an
18 individual acting solely on behalf of a professional sports
19 team or professional sports organization.

20 3. "Athletic director" means an individual responsible for
21 administering the overall athletic program of an educational
22 institution or, if an educational institution has separately
23 administered athletic programs for male students and female
24 students, the athletic program for males or the athletic
25 program for females, as appropriate.

26 4. "Contact" means a direct or indirect communication
27 between an athlete agent and a student athlete, to recruit or
28 solicit the student athlete to enter into an agency contract.

29 5. "Endorsement contract" means an agreement under which a
30 student athlete is employed or receives consideration to use
31 on behalf of the other party any value that the student
32 athlete may have because of publicity, reputation, following,
33 or fame obtained because of athletic ability or performance.

34 6. "Intercollegiate sport" means a sport played at the
35 collegiate level for which eligibility requirements for

1 participation by a student athlete are established by a
2 national association for the promotion or regulation of
3 collegiate athletics.

4 7. "Person" means an individual, corporation, business
5 trust, estate, trust, partnership, limited liability company,
6 association, joint venture, government, governmental
7 subdivision, agency, or instrumentality, public corporation,
8 or any other legal or commercial entity.

9 8. "Professional-sports-services contract" means an
10 agreement under which an individual is employed, or agrees to
11 render services, as a player on a professional sports team,
12 with a professional sports organization, or as a professional
13 athlete.

14 9. "Record" means information that is inscribed on a
15 tangible medium or that is stored in an electronic or other
16 medium and is retrievable in perceivable form.

17 10. "Registration" means registration as an athlete agent
18 pursuant to this chapter.

19 11. "State" means a state of the United States, the
20 District of Columbia, Puerto Rico, the United States Virgin
21 Islands, or any territory or insular possession subject to the
22 jurisdiction of the United States.

23 12. "Student athlete" means an individual who engages in,
24 is eligible to engage in, or may be eligible in the future to
25 engage in, any intercollegiate sport. If an individual is
26 permanently ineligible to participate in a particular
27 intercollegiate sport, the individual is not a student athlete
28 for purposes of that sport.

29 Sec. 3. NEW SECTION. 9A.3 SERVICE OF PROCESS --
30 SUBPOENAS.

31 1. By acting as an athlete agent in this state, a
32 nonresident individual appoints the secretary of state as the
33 individual's agent for service of process in any civil action
34 in this state related to the individual's acting as an athlete
35 agent in this state.

1 2. The secretary of state may issue subpoenas for any
2 material that is relevant to the administration of this
3 chapter.

4 Sec. 4. NEW SECTION. 9A.4 ATHLETE AGENTS -- REGISTRATION
5 REQUIRED -- VOID CONTRACTS.

6 1. Except as otherwise provided in subsection 2, an
7 individual shall not act as an athlete agent in this state
8 without holding a certificate of registration under section
9 9A.6 or 9A.8.

10 2. Before being issued a certificate of registration, an
11 individual may act as an athlete agent in this state for all
12 purposes except signing an agency contract, if all of the
13 following occur:

14 a. A student athlete or another person acting on behalf of
15 the student athlete initiates communication with the
16 individual.

17 b. Within seven days after an initial act as an athlete
18 agent, the individual submits an application for registration
19 as an athlete agent in this state.

20 3. An agency contract resulting from conduct in violation
21 of this section is void and the athlete agent shall return any
22 consideration received under the contract.

23 Sec. 5. NEW SECTION. 9A.5 REGISTRATION AS ATHLETE AGENT
24 -- FORM -- REQUIREMENTS.

25 1. An applicant for registration shall submit an
26 application for registration to the secretary of state in a
27 form prescribed by the secretary of state. An application
28 filed under this section is a public record. The application
29 shall be in the name of an individual and, except as otherwise
30 provided in subsection 2, signed or otherwise authenticated by
31 the applicant under penalty of perjury, and contain the
32 following information:

33 a. The name of the applicant and the address of the
34 applicant's principal place of business.

35 b. The name of the applicant's business or employer, if

1 applicable.

2 c. Any business or occupation engaged in by the applicant
3 for the five years immediately preceding the date of
4 submission of the application.

5 d. A description of the applicant's qualifications,
6 including:

- 7 (1) Formal training as an athlete agent.
- 8 (2) Practical experience as an athlete agent.
- 9 (3) Educational background relating to the applicant's
10 activities as an athlete agent.

11 e. The names and addresses of three individuals not
12 related to the applicant who are willing to serve as
13 references.

14 f. The name, sport, and last known team of each individual
15 for whom the applicant acted as an athlete agent during the
16 five years immediately preceding the date of submission of the
17 application.

18 g. The names and addresses of all persons who have or
19 claim an ownership interest in the applicant's business,
20 including:

- 21 (1) The partners, members, officers, managers, associates,
22 or profit-sharers of the business if it is not a corporation.
- 23 (2) The officers, directors, and any shareholder of the
24 corporation having an interest of five percent or greater in a
25 corporation employing the athlete agent.

26 h. Whether the applicant or any person named pursuant to
27 paragraph "g" has been convicted of a crime that, if committed
28 in this state, would be a crime involving moral turpitude or
29 which is a felony, and identify the crime.

30 i. Whether there has been any administrative or judicial
31 determination that the applicant or any person named pursuant
32 to paragraph "g" has made a materially false, misleading,
33 deceptive, or fraudulent representation.

34 j. Any instance in which the conduct of the applicant or
35 any person named pursuant to paragraph "g" resulted in the

1 imposition of a sanction, suspension, or declaration of
2 ineligibility to participate in an interscholastic or
3 intercollegiate athletic event on a student-athlete or
4 educational institution.

5 k. Any sanction, suspension, or disciplinary action taken
6 against the applicant or any person named pursuant to
7 paragraph "g" arising out of occupational or professional
8 conduct.

9 1. Whether there has been any denial of an application
10 for, suspension or revocation of, or refusal to renew, the
11 registration or licensure of the applicant or of any person
12 named pursuant to paragraph "g" as an athlete agent in any
13 state.

14 2. An individual who has submitted an application for, and
15 holds a certificate of, registration or licensure as an
16 athlete agent in another state may submit a copy of the
17 application and certificate in lieu of submitting an
18 application in the form prescribed pursuant to subsection 1.
19 The secretary of state shall accept the application and the
20 certificate from the other state as an application for
21 registration in this state if the application to the other
22 state:

23 a. Was submitted in the other state within the six-month
24 period immediately preceding the submission of the application
25 in this state and the applicant certifies that the information
26 contained in the application in the other state is current.

27 b. Contains information substantially similar to or more
28 comprehensive than that required in an application submitted
29 in this state.

30 c. Was signed by the applicant under penalty of perjury.

31 Sec. 6. NEW SECTION. 9A.6 CERTIFICATE OF REGISTRATION --
32 ISSUANCE OR DENIAL -- RENEWAL.

33 1. Except as otherwise provided in subsection 2, the
34 secretary of state shall issue a certificate of registration
35 to an individual who complies with section 9A.5, subsection 1,

1 or whose application has been accepted under section 9A.5,
2 subsection 2.

3 2. The secretary of state may refuse to issue a
4 certificate of registration if the secretary of state
5 determines that the applicant has engaged in conduct that has
6 a significant adverse effect on the applicant's fitness to act
7 as an athlete agent. In making the determination, the
8 secretary of state may consider whether the applicant has done
9 the following:

10 a. Been convicted of a crime that, if committed in this
11 state, would be a crime involving moral turpitude or a felony.

12 b. Made a materially false, misleading, deceptive, or
13 fraudulent representation in the application or as an athlete
14 agent.

15 c. Engaged in conduct that would disqualify the applicant
16 from serving in a fiduciary capacity.

17 d. Engaged in conduct prohibited by section 9A.14.

18 e. Had a certificate of registration or licensure as an
19 athlete agent suspended, revoked, or denied or been refused
20 renewal of a certificate of registration or licensure as an
21 athlete agent in any state.

22 f. Engaged in conduct which resulted in the imposition of
23 a sanction, suspension, or declaration of ineligibility to
24 participate in an interscholastic or intercollegiate athletic
25 event on a student athlete or educational institution.

26 g. Engaged in conduct that significantly adversely
27 reflects on the applicant's credibility, honesty, or
28 integrity.

29 3. In making a determination under subsection 2, the
30 secretary of state shall consider the following:

31 a. How recently the conduct occurred.

32 b. The nature of the conduct and the context in which it
33 occurred.

34 c. Any other relevant conduct of the applicant.

35 4. An athlete agent may apply to renew a certificate of

1 registration by submitting an application for renewal in a
2 form prescribed by the secretary of state. An application
3 filed under this section is a public record. The application
4 for renewal must be signed by the applicant under penalty of
5 perjury and must contain current information on all matters
6 required in an original application for registration.

7 5. An individual who has submitted an application for
8 renewal of a certificate of registration or licensure in
9 another state, in lieu of submitting an application for
10 renewal in the form prescribed pursuant to subsection 4, may
11 file a copy of the application for renewal and a valid
12 certificate of registration or licensure from the other state.
13 The secretary of state shall accept the application for
14 renewal from the other state as an application for renewal in
15 this state if the application to the other state:

16 a. Was submitted in the other state within the six-month
17 period immediately preceding the filing in this state and the
18 applicant certifies the information contained in the
19 application for renewal in the other state is current.

20 b. Contains information substantially similar to or more
21 comprehensive than that required in an application for renewal
22 submitted in this state.

23 c. Was signed by the applicant under penalty of perjury.

24 6. An original certificate of registration or a renewal of
25 a certificate of registration is valid for two years.

26 Sec. 7. NEW SECTION. 9A.7 SUSPENSION, REVOCATION, OR
27 REFUSAL TO RENEW REGISTRATION.

28 1. The secretary of state may suspend, revoke, or refuse
29 to renew a certificate of registration for conduct that would
30 have justified denial of a certificate of registration under
31 section 9A.6, subsection 2.

32 2. The secretary of state may deny, suspend, revoke, or
33 refuse to renew a certificate of registration or licensure
34 only after proper notice and an opportunity for a hearing held
35 in accordance with chapter 17A.

1 Sec. 8. NEW SECTION. 9A.8 TEMPORARY REGISTRATION.
 2 The secretary of state may issue a temporary certificate of
 3 registration while an application for registration or renewal
 4 of registration is pending.

5 Sec. 9. NEW SECTION. 9A.9 REGISTRATION AND RENEWAL FEES.
 6 An application for registration or renewal of registration
 7 shall be accompanied by a reasonable registration or renewal
 8 of registration fee sufficient to offset expenses incurred in
 9 the administration of this chapter as established by the
 10 secretary of state.

11 Sec. 10. NEW SECTION. 9A.10 REQUIRED FORM OF CONTRACT.

12 1. An agency contract shall be in a record, signed, or
 13 otherwise authenticated by the parties.

14 2. An agency contract shall contain the following
 15 information:

16 a. The amount and method of calculating the consideration
 17 to be paid by the student athlete for services to be provided
 18 by the athlete agent under the contract and any other
 19 consideration the athlete agent has received or will receive
 20 from any other source for entering into the contract or for
 21 providing the services.

22 b. The name of any person not listed in the application
 23 for registration or renewal of registration who will be
 24 compensated because the student athlete signed the agency
 25 contract.

26 c. The description of any expenses that the student
 27 athlete agrees to reimburse.

28 d. The description of the services to be provided to the
 29 student athlete.

30 e. The duration of the contract.

31 f. The date of execution of the contract.

32 3. An agency contract must contain, in close proximity to
 33 the signature of the student athlete, a conspicuous notice in
 34 boldface type in capital letters stating:

35 WARNING TO STUDENT ATHLETE

1 IF YOU SIGN THIS CONTRACT:

2 (1) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A STUDENT
3 ATHLETE IN YOUR SPORT;

4 (2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 HOURS
5 AFTER ENTERING INTO THIS CONTRACT, BOTH YOU AND YOUR ATHLETE
6 AGENT MUST NOTIFY YOUR ATHLETIC DIRECTOR; AND

7 (3) YOU MAY CANCEL THIS CONTRACT WITHIN 14 DAYS AFTER
8 SIGNING IT. CANCELLATION OF THIS CONTRACT MAY NOT REINSTATE
9 YOUR ELIGIBILITY.

10 4. An agency contract that does not conform to this
11 section is voidable by the student athlete. If a student
12 athlete voids an agency contract, the student athlete is not
13 required to pay any consideration under the contract or to
14 return any consideration received from the athlete agent to
15 induce the student athlete to enter into the contract.

16 5. The athlete agent shall give a record of the signed or
17 otherwise authenticated agency contract to the student athlete
18 at the time of execution of the contract.

19 Sec. 11. NEW SECTION. 9A.11 NOTICE TO EDUCATIONAL
20 INSTITUTION.

21 1. Within seventy-two hours after entering into an agency
22 contract or before the next scheduled athletic event in which
23 the student athlete may participate, whichever occurs first,
24 the athlete agent shall give notice in a record of the
25 existence of the contract to the athletic director of the
26 educational institution at which the student athlete is
27 enrolled or at which the athlete agent has reasonable grounds
28 to believe the student athlete intends to enroll.

29 2. Within seventy-two hours after entering into an agency
30 contract or before the next athletic event in which the
31 student athlete may participate, whichever occurs first, the
32 student athlete shall inform the athletic director of the
33 educational institution at which the student athlete is
34 enrolled or intends to enroll that the student athlete has
35 entered into an agency contract.

1 Sec. 12. NEW SECTION. 9A.12 STUDENT ATHLETE'S RIGHT TO
2 CANCEL.

3 1. A student athlete may cancel an agency contract by
4 giving notice of the cancellation to the athlete agent in a
5 record within fourteen days after the contract is signed.

6 2. A student athlete may not waive the right to cancel an
7 agency contract.

8 3. If a student athlete cancels an agency contract, the
9 student athlete is not required to pay any consideration under
10 the contract or to return any consideration received from the
11 athlete agent to induce the student athlete to enter into the
12 contract.

13 Sec. 13. NEW SECTION. 9A.13 REQUIRED RECORDS.

14 1. An athlete agent shall retain the following records for
15 a period of five years:

16 a. The name and address of each individual represented by
17 the athlete agent.

18 b. Any agency contract entered into by the athlete agent.

19 c. Any direct costs incurred by the athlete agent in the
20 recruitment or solicitation of a student athlete to enter into
21 an agency contract.

22 2. Records required to be retained by subsection 1 are
23 open to inspection by the secretary of state during normal
24 business hours.

25 Sec. 14. NEW SECTION. 9A.14 PROHIBITED CONDUCT.

26 1. An athlete agent, with the intent to induce a student
27 athlete to enter into an agency contract, shall not do any of
28 the following:

29 a. Give any materially false, misleading, deceptive, or
30 fraudulent information or make a materially false promise or a
31 materially false, misleading, deceptive, or fraudulent
32 representation.

33 b. Furnish anything of value to a student athlete before
34 the student athlete enters into the agency contract.

35 c. Furnish anything of value to any individual other than

1 the student athlete or another registered athlete agent.

2 2. An athlete agent shall not intentionally:

3 a. Initiate contact with a student athlete unless
4 registered under this chapter.

5 b. Refuse or fail to retain or permit inspection of the
6 records required to be retained by section 9A.13.

7 c. Fail to register when required by section 9A.4.

8 d. Provide materially false or misleading information in
9 an application for registration or renewal of registration.

10 e. Predate or postdate an agency contract.

11 f. Fail to notify a student athlete before the student
12 athlete signs or otherwise authenticates an agency contract
13 for a particular sport that the signing or authentication may
14 make the student athlete ineligible to participate as a
15 student athlete in that sport.

16 Sec. 15. NEW SECTION. 9A.15 CRIMINAL PENALTIES.

17 An athlete agent who violates section 9A.14 is guilty of a
18 serious misdemeanor.

19 Sec. 16. NEW SECTION. 9A.16 CIVIL REMEDIES.

20 1. An educational institution has a right of action
21 against an athlete agent or a former student athlete for
22 damages caused by a violation of this chapter. In an action
23 under this section, the court may award costs and reasonable
24 attorney fees to the prevailing party.

25 2. Damages to an educational institution under subsection
26 1 include losses and expenses incurred because, as a result of
27 the conduct of an athlete agent or former student athlete, the
28 educational institution was injured by a violation of this
29 chapter or was sanctioned, declared ineligible, or suspended
30 from participation in athletics by a national association for
31 the promotion and regulation of athletics, by an athletic
32 conference, or by reasonable self-imposed disciplinary action
33 taken to mitigate sanctions likely to be imposed by such an
34 organization.

35 3. A right of action under this section does not accrue

1 until the educational institution discovers or by the exercise
2 of reasonable diligence should have discovered the violation
3 by the athlete agent or former student athlete.

4 4. Any liability of the athlete agent or the former
5 student athlete under this section is several and not joint.

6 5. This chapter does not restrict rights, remedies, or
7 defenses of any person under law or equity.

8 Sec. 17. NEW SECTION. 9A.17 ADMINISTRATIVE PENALTY.

9 The secretary of state may assess a civil penalty against
10 an athlete agent not to exceed twenty-five thousand dollars
11 for a violation of this chapter.

12 Sec. 18. NEW SECTION. 9A.18 UNIFORMITY OF APPLICATION
13 AND CONSTRUCTION.

14 In applying and construing this chapter, consideration must
15 be given to the need to promote uniformity of the law with
16 respect to the subject matter of this chapter among states
17 that enact the uniform athlete agents Act.

18 Sec. 19. NEW SECTION. 9A.19 ELECTRONIC SIGNATURES IN
19 GLOBAL AND NATIONAL COMMERCE ACT.

20 The provisions of this chapter governing the legal effect,
21 validity, or enforceability of electronic records or
22 signatures, and of contracts formed or performed with the use
23 of such records or signatures, shall be construed as
24 conforming to the requirements of section 102 of the
25 Electronic Signatures in Global and National Commerce Act,
26 Pub. L. No. 106-229, 114 Stat. 464 (2000), that supersede,
27 modify, and limit the Electronic Signatures in Global and
28 National Commerce Act.

29 Sec. 20. Chapter 9A, Code 2001, is repealed.

30 EXPLANATION

31 This bill repeals Code chapter 9A, which relates to the
32 registration of athlete agents and replaces it with the
33 uniform athlete agents Act. The uniform athlete agents Act
34 provides for uniform registration, certification, and
35 background checks of sports agents seeking to represent

1 student athletes who are or may be eligible to participate in.
2 intercollegiate sports, imposes specified contract terms on
3 agreements between student athletes and athlete agents, and
4 provides educational institutions with a right to notice of
5 the existence of a contract between an athlete agent and a
6 student athlete.

7 The bill also provides an educational institutional with
8 civil remedies against an athlete agent or a student athlete
9 who violates the provisions of the chapter.

10 The bill also provides that an athlete agent that violates
11 the prohibited activities section of the Code chapter is
12 guilty of a serious misdemeanor. Prohibited activities
13 include providing materially false, misleading, deceptive, or
14 fraudulent information, making a materially false or
15 misleading promise or a materially false, misleading,
16 deceptive, or fraudulent representation, furnishing things of
17 value before a contract is made with an athlete, violating the
18 Code chapter's registration requirements, predating or
19 postdating an agency contract, or failing to notify a student
20 athlete prior to signing that signing an agency contract may
21 make the student athlete ineligible to participate as a
22 student athlete in that sport.

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4/5/01 Rereferred To: Judiciary

FILED MAR 19 2001

SENATE FILE 483
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 1246)

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SF 483

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33 a. The name of the applicant and the address of the
34 applicant's principal place of business.

35 b. The name of the applicant's business or employer, if

1 applicable.

2 c. Any business or occupation engaged in by the applicant
3 for the five years immediately preceding the date of
4 submission of the application.

5 d. A description of the applicant's qualifications,
6 including:

7 (1) Formal training as an athlete agent.

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10 activities as an athlete agent.

11 e. The names and addresses of three individuals not
12 related to the applicant who are willing to serve as
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14 f. The name, sport, and last known team of each individual
15 for whom the applicant acted as an athlete agent during the
16 five years immediately preceding the date of submission of the
17 application.

18 g. The names and addresses of all persons who have or
19 claim an ownership interest in the applicant's business,
20 including:

21 (1) The partners, members, officers, managers, associates,
22 or profit-sharers of the business if it is not a corporation.

23 (2) The officers, directors, and any shareholder of the
24 corporation having an interest of five percent or greater in a
25 corporation employing the athlete agent.

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4 educational institution.

5 k. Any sanction, suspension, or disciplinary action taken
6 against the applicant or any person named pursuant to
7 paragraph "g" arising out of occupational or professional
8 conduct.

9 1. Whether there has been any denial of an application
10 for, suspension or revocation of, or refusal to renew, the
11 registration or licensure of the applicant or of any person
12 named pursuant to paragraph "g" as an athlete agent in any
13 state.

14 2. An individual who has submitted an application for, and
15 holds a certificate of, registration or licensure as an
16 athlete agent in another state may submit a copy of the
17 application and certificate in lieu of submitting an
18 application in the form prescribed pursuant to subsection 1.
19 The secretary of state shall accept the application and the
20 certificate from the other state as an application for
21 registration in this state if the application to the other
22 state:

23 a. Was submitted in the other state within the six-month
24 period immediately preceding the submission of the application
25 in this state and the applicant certifies that the information
26 contained in the application in the other state is current.

27 b. Contains information substantially similar to or more
28 comprehensive than that required in an application submitted
29 in this state.

30 c. Was signed by the applicant under penalty of perjury.

31 Sec. 6. NEW SECTION. 9A.6 CERTIFICATE OF REGISTRATION --
32 ISSUANCE OR DENIAL -- RENEWAL.

33 1. Except as otherwise provided in subsection 2, the
34 secretary of state shall issue a certificate of registration
35 to an individual who complies with section 9A.5, subsection 1,

1 or whose application has been accepted under section 9A.5,
2 subsection 2.

3 2. The secretary of state may refuse to issue a
4 certificate of registration if the secretary of state
5 determines that the applicant has engaged in conduct that has
6 a significant adverse effect on the applicant's fitness to act
7 as an athlete agent. In making the determination, the
8 secretary of state may consider whether the applicant has done
9 the following:

10 a. Been convicted of a crime that, if committed in this
11 state, would be a crime involving moral turpitude or a felony.

12 b. Made a materially false, misleading, deceptive, or
13 fraudulent representation in the application or as an athlete
14 agent.

15 c. Engaged in conduct that would disqualify the applicant
16 from serving in a fiduciary capacity.

17 d. Engaged in conduct prohibited by section 9A.14.

18 e. Had a certificate of registration or licensure as an
19 athlete agent suspended, revoked, or denied or been refused
20 renewal of a certificate of registration or licensure as an
21 athlete agent in any state.

22 f. Engaged in conduct which resulted in the imposition of
23 a sanction, suspension, or declaration of ineligibility to
24 participate in an interscholastic or intercollegiate athletic
25 event on a student athlete or educational institution.

26 g. Engaged in conduct that significantly adversely
27 reflects on the applicant's credibility, honesty, or
28 integrity.

29 3. In making a determination under subsection 2, the
30 secretary of state shall consider the following:

31 a. How recently the conduct occurred.

32 b. The nature of the conduct and the context in which it
33 occurred.

34 c. Any other relevant conduct of the applicant.

35 4. An athlete agent may apply to renew a certificate of

1 registration by submitting an application for renewal in a
2 form prescribed by the secretary of state. An application
3 filed under this section is a public record. The application
4 for renewal must be signed by the applicant under penalty of
5 perjury and must contain current information on all matters
6 required in an original application for registration.

7 5. An individual who has submitted an application for
8 renewal of a certificate of registration or licensure in
9 another state, in lieu of submitting an application for
10 renewal in the form prescribed pursuant to subsection 4, may
11 file a copy of the application for renewal and a valid
12 certificate of registration or licensure from the other state.
13 The secretary of state shall accept the application for
14 renewal from the other state as an application for renewal in
15 this state if the application to the other state:

16 a. Was submitted in the other state within the six-month
17 period immediately preceding the filing in this state and the
18 applicant certifies the information contained in the
19 application for renewal in the other state is current.

20 b. Contains information substantially similar to or more
21 comprehensive than that required in an application for renewal
22 submitted in this state.

23 c. Was signed by the applicant under penalty of perjury.

24 6. An original certificate of registration or a renewal of
25 a certificate of registration is valid for two years.

26 Sec. 7. NEW SECTION. 9A.7 SUSPENSION, REVOCATION, OR
27 REFUSAL TO RENEW REGISTRATION.

28 1. The secretary of state may suspend, revoke, or refuse
29 to renew a certificate of registration for conduct that would
30 have justified denial of a certificate of registration under
31 section 9A.6, subsection 2.

32 2. The secretary of state may deny, suspend, revoke, or
33 refuse to renew a certificate of registration or licensure
34 only after proper notice and an opportunity for a hearing held
35 in accordance with chapter 17A.

1 Sec. 8. NEW SECTION. 9A.8 TEMPORARY REGISTRATION.

2 The secretary of state may issue a temporary certificate of
3 registration while an application for registration or renewal
4 of registration is pending.

5 Sec. 9. NEW SECTION. 9A.9 REGISTRATION AND RENEWAL FEES.

6 An application for registration or renewal of registration
7 shall be accompanied by a reasonable registration or renewal
8 of registration fee sufficient to offset expenses incurred in
9 the administration of this chapter as established by the
10 secretary of state.

11 Sec. 10. NEW SECTION. 9A.10 REQUIRED FORM OF CONTRACT.

12 1. An agency contract shall be in a record, signed, or
13 otherwise authenticated by the parties.

14 2. An agency contract shall contain the following
15 information:

16 a. The amount and method of calculating the consideration
17 to be paid by the student athlete for services to be provided
18 by the athlete agent under the contract and any other
19 consideration the athlete agent has received or will receive
20 from any other source for entering into the contract or for
21 providing the services.

22 b. The name of any person not listed in the application
23 for registration or renewal of registration who will be
24 compensated because the student athlete signed the agency
25 contract.

26 c. The description of any expenses that the student
27 athlete agrees to reimburse.

28 d. The description of the services to be provided to the
29 student athlete.

30 e. The duration of the contract.

31 f. The date of execution of the contract.

32 3. An agency contract must contain, in close proximity to
33 the signature of the student athlete, a conspicuous notice in
34 boldface type in capital letters stating:

35 WARNING TO STUDENT ATHLETE

1 IF YOU SIGN THIS CONTRACT:

2 (1) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A STUDENT
3 ATHLETE IN YOUR SPORT;

4 (2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 HOURS
5 AFTER ENTERING INTO THIS CONTRACT, BOTH YOU AND YOUR ATHLETE
6 AGENT MUST NOTIFY YOUR ATHLETIC DIRECTOR; AND

7 (3) YOU MAY CANCEL THIS CONTRACT WITHIN 14 DAYS AFTER
8 SIGNING IT. CANCELLATION OF THIS CONTRACT MAY NOT REINSTATE
9 YOUR ELIGIBILITY.

10 4. An agency contract that does not conform to this
11 section is voidable by the student athlete. If a student
12 athlete voids an agency contract, the student athlete is not
13 required to pay any consideration under the contract or to
14 return any consideration received from the athlete agent to
15 induce the student athlete to enter into the contract.

16 5. The athlete agent shall give a record of the signed or
17 otherwise authenticated agency contract to the student athlete
18 at the time of execution of the contract.

19 Sec. 11. NEW SECTION. 9A.11 NOTICE TO EDUCATIONAL
20 INSTITUTION.

21 1. Within seventy-two hours after entering into an agency
22 contract or before the next scheduled athletic event in which
23 the student athlete may participate, whichever occurs first,
24 the athlete agent shall give notice in a record of the
25 existence of the contract to the athletic director of the
26 educational institution at which the student athlete is
27 enrolled or at which the athlete agent has reasonable grounds
28 to believe the student athlete intends to enroll.

29 2. Within seventy-two hours after entering into an agency
30 contract or before the next athletic event in which the
31 student athlete may participate, whichever occurs first, the
32 student athlete shall inform the athletic director of the
33 educational institution at which the student athlete is
34 enrolled or intends to enroll that the student athlete has
35 entered into an agency contract.

1 Sec. 12. NEW SECTION. 9A.12 STUDENT ATHLETE'S RIGHT TO
2 CANCEL.

3 1. A student athlete may cancel an agency contract by
4 giving notice of the cancellation to the athlete agent in a
5 record within fourteen days after the contract is signed.

6 2. A student athlete may not waive the right to cancel an
7 agency contract.

8 3. If a student athlete cancels an agency contract, the
9 student athlete is not required to pay any consideration under
10 the contract or to return any consideration received from the
11 athlete agent to induce the student athlete to enter into the
12 contract.

13 Sec. 13. NEW SECTION. 9A.13 REQUIRED RECORDS.

14 1. An athlete agent shall retain the following records for
15 a period of five years:

16 a. The name and address of each individual represented by
17 the athlete agent.

18 b. Any agency contract entered into by the athlete agent.

19 c. Any direct costs incurred by the athlete agent in the
20 recruitment or solicitation of a student athlete to enter into
21 an agency contract.

22 2. Records required to be retained by subsection 1 are
23 open to inspection by the secretary of state during normal
24 business hours.

25 Sec. 14. NEW SECTION. 9A.14 PROHIBITED CONDUCT.

26 1. An athlete agent, with the intent to induce a student
27 athlete to enter into an agency contract, shall not do any of
28 the following:

29 a. Give any materially false, misleading, deceptive, or
30 fraudulent information or make a materially false promise or a
31 materially false, misleading, deceptive, or fraudulent
32 representation.

33 b. Furnish anything of value to a student athlete before
34 the student athlete enters into the agency contract.

35 c. Furnish anything of value to any individual other than

1 the student athlete or another registered athlete agent.

2 2. An athlete agent shall not intentionally:

3 a. Initiate contact with a student athlete unless
4 registered under this chapter.

5 b. Refuse or fail to retain or permit inspection of the
6 records required to be retained by section 9A.13.

7 c. Fail to register when required by section 9A.4.

8 d. Provide materially false or misleading information in
9 an application for registration or renewal of registration.

10 e. Predate or postdate an agency contract.

11 f. Fail to notify a student athlete before the student
12 athlete signs or otherwise authenticates an agency contract
13 for a particular sport that the signing or authentication may
14 make the student athlete ineligible to participate as a
15 student athlete in that sport.

16 Sec. 15. NEW SECTION. 9A.15 CRIMINAL PENALTIES.

17 An athlete agent who violates section 9A.14 is guilty of a
18 serious misdemeanor.

19 Sec. 16. NEW SECTION. 9A.16 CIVIL REMEDIES.

20 1. An educational institution has a right of action
21 against an athlete agent or a former student athlete for
22 damages caused by a violation of this chapter. In an action
23 under this section, the court may award costs and reasonable
24 attorney fees to the prevailing party.

25 2. Damages to an educational institution under subsection
26 1 include losses and expenses incurred because, as a result of
27 the conduct of an athlete agent or former student athlete, the
28 educational institution was injured by a violation of this
29 chapter or was sanctioned, declared ineligible, or suspended
30 from participation in athletics by a national association for
31 the promotion and regulation of athletics, by an athletic
32 conference, or by reasonable self-imposed disciplinary action
33 taken to mitigate sanctions likely to be imposed by such an
34 organization.

35 3. A right of action under this section does not accrue

1 until the educational institution discovers or by the exercise
2 of reasonable diligence should have discovered the violation
3 by the athlete agent or former student athlete.

4 4. Any liability of the athlete agent or the former
5 student athlete under this section is several and not joint.

6 5. This chapter does not restrict rights, remedies, or
7 defenses of any person under law or equity.

8 Sec. 17. NEW SECTION. 9A.17 ADMINISTRATIVE PENALTY.

9 The secretary of state may assess a civil penalty against
10 an athlete agent not to exceed twenty-five thousand dollars
11 for a violation of this chapter.

12 Sec. 18. NEW SECTION. 9A.18 UNIFORMITY OF APPLICATION
13 AND CONSTRUCTION.

14 In applying and construing this chapter, consideration must
15 be given to the need to promote uniformity of the law with
16 respect to the subject matter of this chapter among states
17 that enact the uniform athlete agents Act.

18 Sec. 19. NEW SECTION. 9A.19 ELECTRONIC SIGNATURES IN
19 GLOBAL AND NATIONAL COMMERCE ACT.

20 The provisions of this chapter governing the legal effect,
21 validity, or enforceability of electronic records or
22 signatures, and of contracts formed or performed with the use
23 of such records or signatures, shall be construed as
24 conforming to the requirements of section 102 of the
25 Electronic Signatures in Global and National Commerce Act,
26 Pub. L. No. 106-229, 114 Stat. 464 (2000), that supersede,
27 modify, and limit the Electronic Signatures in Global and
28 National Commerce Act.

29 Sec. 20. Chapter 9A, Code 2001, is repealed.

30 EXPLANATION

31 This bill repeals Code chapter 9A, which relates to the
32 registration of athlete agents and replaces it with the
33 uniform athlete agents Act. The uniform athlete agents Act
34 provides for uniform registration, certification, and
35 background checks of sports agents seeking to represent

1 student athletes who are or may be eligible to participate in
2 intercollegiate sports, imposes specified contract terms on
3 agreements between student athletes and athlete agents, and
4 provides educational institutions with a right to notice of
5 the existence of a contract between an athlete agent and a
6 student athlete.

7 The bill also provides an educational institution with
8 civil remedies against an athlete agent or a student athlete
9 who violates the provisions of the chapter.

10 The bill also provides that an athlete agent that violates
11 the prohibited activities section of the Code chapter is
12 guilty of a serious misdemeanor. Prohibited activities
13 include providing materially false, misleading, deceptive, or
14 fraudulent information, making a materially false or
15 misleading promise or a materially false, misleading,
16 deceptive, or fraudulent representation, furnishing things of
17 value before a contract is made with an athlete, violating the
18 Code chapter's registration requirements, predating or
19 postdating an agency contract, or failing to notify a student
20 athlete prior to signing that signing an agency contract may
21 make the student athlete ineligible to participate as a
22 student athlete in that sport.

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**SENATE FILE 483
FISCAL NOTE**

A fiscal note for **Senate File 483** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 483 repeals Chapter 9A, Code of Iowa, which relates to the registration of athlete agents and replaces it with the Uniform Athlete Agents Act. The Uniform Athlete Agents Act provides for uniform registration, certification, and background checks of sports agents seeking to represent student athletes who are or may be eligible to participate in intercollegiate sports, imposes specified contract terms on agreements between student athletes and athlete agents, and provides educational institutions with a right to notice of the existence of a contract between an athlete agent and a student athlete. The Bill also provides an educational institution with civil remedies against an athlete agent or a student athlete who violates the provisions of the Bill and criminal penalties of a serious misdemeanor.

ASSUMPTIONS

1. Charge, conviction, and sentencing patterns and trends will not change over the projection period.
2. Prisoner length of stay, revocation rates, and other corrections' practices and policies will not change over the projection period.
3. The law will become effective July 1, 2001. A lag effect of six months is assumed, from the effective date of the change in the law to the date of first entry of affected offenders into the correctional system.
4. The analysis is based on information obtained from the Justice Data Warehouse, which includes statewide court information. Conviction and penalty information is based on FY 2000 data.
5. The marginal cost per day for Community-Based Corrections is \$16 per offender.
6. The median cost per case for the State Public Defender to defend serious misdemeanors is \$750.
7. Court costs vary by type of offense charged as well as contested versus uncontested cases. Trial costs for a serious misdemeanor case range from approximately \$350 to \$3,000.
8. Average length of stay for serious misdemeanors is six months in Community-Based Corrections.
9. As per the Justice Data Warehouse, there have been no convictions for cases initiated on or after September 1, 1997, under Chapter 9A, Code of

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Iowa.

10. There may be an increased number of registrants with the Secretary of State's Office, however, that number cannot be determined.

CORRECTIONAL IMPACT

Senate File 483 is not expected to have a significant correctional impact.

FISCAL IMPACT

The fiscal impact of Senate File 483 cannot be determined, but is not expected to be significant. The estimated cost for one offender is approximately \$350 for an uncontested case and approximately \$6,000 for a contested case.

The impact to the Secretary of State's Office is not expected to be significant.

SOURCES

Department of Corrections
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Judicial Branch
Secretary of State
State Public Defender

(LSB 2486SV, CRS)

FILED MARCH 28, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR