ASSEMBLY, No. 2349

STATE OF NEW JERSEY

214th LEGISLATURE

INTRODUCED FEBRUARY 25, 2010

Sponsored by: Assemblyman JOHN F. MCKEON District 27 (Essex) Assemblyman CRAIG J. COUGHLIN District 19 (Middlesex)

SYNOPSIS

"New Jersey Uniform Athlete Agents Act."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/14/2010)

AN ACT providing for the regulation of athlete agents, amending P.L.1971, c.60, P.L.1974, c.46 and P.L.1978, c.73, and supplementing Title 45 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. (New section) This act shall be known and may be cited as the "New Jersey Uniform Athlete Agents Act."

2. (New section) As used in this act:

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

"Athlete agent" means an individual who enters into an agency contract with a student-athlete or, directly or indirectly, recruits or solicits a student-athlete to enter into an agency contract, including an individual who represents to the public that the individual is an athlete agent, but does not mean a spouse, parent, sibling, grandparent or guardian of the student-athlete or an individual acting solely on behalf of a professional sports team or professional sports organization.

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

"Board" means the New Jersey Athlete Agent Regulatory Board established by section 3 of this act.

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

"Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

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

"Intercollegiate sport" means a sport played at the collegiate level for which eligibility requirements for participation by a studentathlete are established by a national association for the promotion or regulation of collegiate athletics.

"Professional-sports-services contract" means an agreement under which an individual is employed or agrees to render services as a

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

A2349 MCKEON, COUGHLIN

player on a professional sports team, with a professional sports organization, or as a professional athlete.

"Student-athlete" means an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in any intercollegiate sport, but if an individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a student-athlete for purposes of that sport.

3. (New section) There is created, within the Division of Consumer Affairs in the Department of Law and Public Safety, the New Jersey Athlete Agent Regulatory Board. The board shall consist of nine members who are residents of the State, two of whom shall be public members appointed pursuant to the provisions of subsection b. of section 2 of P.L.1971, c.60 (C.45:1-2.2), and one of whom shall be a member from a department in the Executive Branch of the State Government, appointed in fulfillment of the requirement of subsection c. of that section. Of the remaining six members: two members shall have experience in college athletics; two members shall have experience in high school athletics; and two members shall have experience counseling professional athletes with regard to legal or financial matters.

The Governor shall appoint each member, other than the State executive department member, for terms of four years, except that of the members first appointed, other than the State executive department member, two shall serve for a term of four years, two shall serve for a term of three years, two shall serve for a term of two years, and two shall serve for a term of one year. Any vacancy in the membership of the board shall be filled for the unexpired term in the manner provided by the original appointment. No member of the board may serve more than two successive terms in addition to any unexpired term to which the member has been appointed. The Governor may remove any member of the board, other than the State executive department member, for cause.

4. (New section) Members of the board shall be compensated and reimbursed for expenses and provided with office and meeting facilities pursuant to section 2 of P.L.1977, c.285 (C.45:1-2.5).

5. (New section) The board shall annually elect from among its members a chairperson and a vice-chairperson. The board shall meet twice a year and may hold additional meetings as necessary to discharge its duties.

- 6. (New section) The board shall:
- a. Review the qualifications of applicants for registration;
- b. Issue and renew biennial registrations for athlete agents pursuant to this act;
 - c. Maintain a record of every athlete agent registered in this

State, their places of business, places of residence and the date and number of their registration; and

d. Adopt and promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the purposes of this act, except that the initial rules and regulations shall be promulgated by the director.

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7. (New section) There shall be an Executive Director of the board appointed by the director who shall serve at the director's pleasure. The salary of the Executive Director shall be determined by the director within the limits of available funds.

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- 8. (New section) a. Except as otherwise provided in subsection b. of this section, no person shall engage in or carry on the occupation of an athlete agent either within the State or with a resident of the State without first registering as an athlete agent with the board.
- b. Before being issued a certificate of registration, a person may act as an athlete agent in this State for all purposes except signing an agency contract, if:
- (1) a student-athlete or another person acting on behalf of the student-athlete initiates communication with the individual; and
- (2) within seven days after an initial act as an athlete agent, the person submits an application for registration as an athlete agent.
- c. An agency contract resulting from conduct in violation of this section is void and the athlete agent shall return any consideration under the contract.

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- 9. (New section) A written application for registration as an athlete agent shall be made to the board on the form prescribed by the board and shall state the following:
- a. The name of the applicant and address of the applicant's principal place of business;
- b. The name of the applicant's business or employer, if applicable;
- c. The business or occupation engaged in by the applicant for at least five years immediately preceding the date of application; and
 - d. A description of the applicant's:
 - (1) Formal training as an athlete agent;
 - (2) Practical experience as an athlete agent; and
- 42 (3) Educational background relating to the applicant's activities as 43 an athlete agent;
- e. The names and addresses of three individuals not related to the applicant who are willing to serve as references;
- f. The name, sport and last known team for each individual for whom the applicant acted as an athlete agent during the five years

1 immediately preceding the date of submission of the application; 2 and

- g. The names and addresses of all persons who are:
- (1) With respect to the athlete agent's business, if it is not a corporation, the partners, members, officers, managers, associates or profit-sharers of the business; and
- (2) With respect to a corporation employing the athlete agent, the officers, directors and any shareholder of the corporation having an interest of five percent or greater.

- 10. (New section) An individual who has submitted an application for, and holds a certificate of, registration or licensure as an athlete agent in another state may submit a copy of the application and certificate in lieu of submitting an application in the form prescribed pursuant to section 9 of this act. The board shall accept the application and the certificate from the other state as an application for registration in this State if the application to the other state:
- a. Was submitted in the other state within six months immediately preceding the submission of the application in this State and the applicant certifies that the information contained in the application is current; and
- b. Contains information substantially similar to or more comprehensive than that required in an application submitted in this State.

- 11. (New section) In addition to the provisions of section 8 of P.L.1978, c.73 (C.45:1-21), the board may refuse to grant or may suspend or revoke the registration of an athlete agent upon proof showing by a preponderance of the evidence that the agent or the agent's representative or employee:
- a. Had made false or misleading statements of a material nature in the application for registration;
- b. Has ever misappropriated funds or engaged in other specific acts such as embezzlement, theft, or fraud which would render the applicant unfit to serve in a fiduciary capacity;
- c. Has engaged in other conduct having a significant adverse impact on the applicant's credibility, integrity, or competence to serve in a fiduciary capacity;
- d. Has engaged in conduct which resulted in the imposition of a sanction, suspension or declaration of ineligibility to participate in an interscholastic or intercollegiate athletic event on a student-athlete or educational institution;
- e. Has been convicted of a crime that, if committed in this State, would be a crime involving moral turpitude or a crime of the third degree or above;
- f. Has been convicted of an offense relating to the profession of an athlete agent in another state; or
- g. Has been refused registration or licensure or renewal of

registration or licensure, or had suspended or revoked a registration or licensure as an athlete agent in another state.

12. (New section) A registration shall be valid for a period of up to two years. Renewal of a registration shall require the filing of an application for renewal. A renewal fee shall be paid by the athlete agent at the time of filing such application.

13. (New section) The board may, at its discretion, issue a temporary registration, valid for a period not exceeding 90 days, while an application for registration or renewal of registration is pending.

14. (New section) A filing fee shall be paid at the time the application for issuance of an athlete agent registration is filed. In addition to the fee required for application for issuance of the registration, an athlete agent shall pay to the board biennially a renewal fee which shall accompany the application for renewal. The board shall set the fees required by this section in the amount necessary to generate sufficient revenue to cover the costs of administration and enforcement of this act.

- 15. (New section) a. An agency contract shall be in a record signed or otherwise authenticated by the parties.
 - b. An agency contract shall state:
- (1) 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;
- (2) The name of any person not listed in the application for registration or renewal of registration who will be compensated because the student-athlete signed the agency contract;
- (3) A description of any expenses that the student-athlete agrees to reimburse;
- (4) A description of the services to be provided to the studentathlete;
 - (5) The duration of the contract; and
 - (6) The date of execution.
- c. An agency contract shall contain, in close proximity to the signature of the student-athlete, a notice in not less than 10-point type stating:

- IF YOU SIGN THIS CONTRACT:
- (1) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS
 A STUDENT-ATHLETE IN YOUR SPORT;
- 47 (2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 48 HOURS AFTER ENTERING INTO THIS CONTRACT, BOTH

- 1 YOU AND YOUR ATHLETE AGENT MUST NOTIFY YOUR 2 ATHLETIC DIRECTOR; AND
- 3 (3) YOU MAY CANCEL THIS CONTRACT WITHIN 14 4 DAYS AFTER SIGNING IT. CANCELLATION OF THIS 5 CONTRACT MAY NOT REINSTATE YOUR ELIGIBILITY.

- d. An agency contract that does not conform to this section is voidable by the student-athlete. If a student-athlete voids an agency contract, the student-athlete is not required to pay any consideration under the contract or to return any consideration received from the athlete agent to induce the student-athlete to enter into the contract.
- e. The athlete agent shall give a record of the signed or otherwise authenticated agency contract to the student-athlete at the time of execution.

- 16. (New section) a. Within 72 hours after entering into an agency contract or before the next scheduled athletic event in which the student-athlete may participate, whichever occurs first, the athlete agent shall give notice in a record of the existence of the contract to the athletic director of the educational institution at which the student-athlete is enrolled or the athlete agent has reasonable grounds to believe the student-athlete intends to enroll.
- b. Within 72 hours after entering into an agency contract or before the next athletic event in which the student-athlete may participate, whichever occurs first, the student-athlete shall inform the athletic director of the educational institution at which the student-athlete is enrolled that the student-athlete has entered into an agency contract.

- 17. (New section) a. A student-athlete may cancel an agency contract by giving notice of the cancellation to the athlete agent in a record within 14 days after the contract is signed.
- b. A student-athlete may not waive the right to cancel an agency contract.
- c. If a student-athlete cancels an agency contract, the student-athlete is not required to pay any consideration under the contract or to return any consideration received from the athlete agent to induce the student-athlete to enter into the contract.

- 18. (New section) a. An athlete agent, with the intent to induce a student-athlete to enter into an agency contract, shall not:
- (1) Give any materially false or misleading information or make a materially false promise or representation;
- (2) Furnish anything of value to a student-athlete before the student-athlete enters into the agency contract; or
- (3) Furnish anything of value to any individual other than the student-athlete or another registered athlete agent.
- b. An athlete agent shall not intentionally:

- 1 (1) Initiate contact with a student-athlete unless registered under this act;
- 3 (2) Refuse or fail to retain or permit inspection of the records 4 required to be retained by this act;
 - (3) Fail to register as required by this act;
 - (4) Provide materially false or misleading information in an application for registration or renewal of registration;
 - (5) Predate or postdate an agency contract; or
 - (6) Fail to notify a student-athlete before the student-athlete signs or otherwise authenticates an agency contract for a particular sport that the signing or authentication may make the student-athlete ineligible to participate as a student-athlete in that sport.
 - c. An athlete agent shall not split a fee with or receive compensation from:
 - (1) A professional sports league;
 - (2) A professional sports franchise;
- 17 (3) A representative or employee of a professional sports league 18 or franchise; or
 - (4) An employee of an educational institution in this State.

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- 19. (New section) Every athlete agent shall keep records approved by the board, in which shall be entered all of the following:
- a. The name and address of each individual represented by an athlete agent;
 - b. Every agency contract entered into by an athlete agent;
- c. Any direct costs incurred by the athlete agent in the recruitment or solicitation of a student-athlete to enter into an agency contract; and
- d. Other information which the board may from time to time require.

No athlete agent or his representatives or employees shall make any false entry in any such records. All records required by this act shall be kept for a period of five years. All books, records, and other papers kept pursuant to this act by an athlete agent shall be open to the inspection of the board and its representatives. Every athlete agent shall furnish to the board upon request a true copy of the books, records, and papers kept pursuant to this act, or any portion thereof, and shall make those reports as the board prescribes.

- 42 20. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read 43 as follows:
- 1. The provisions of this act shall apply to the following boards and commissions: the New Jersey State Board of Accountancy, the New Jersey State Board of Architects, the New Jersey State Board of Cosmetology and Hairstyling, the Board of Examiners of Electrical Contractors, the New Jersey State Board of Dentistry, the

- 1 State Board of Mortuary Science of New Jersey, the State Board of
- 2 Professional Engineers and Land Surveyors, the State Board of
- 3 Marriage and Family Therapy Examiners, the State Board of
- 4 Medical Examiners, the New Jersey Board of Nursing, the New
- 5 Jersey State Board of Optometrists, the State Board of Examiners of
- 6 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
- 7 Pharmacy, the State Board of Professional Planners, the State Board
- 8 of Psychological Examiners, the State Board of Examiners of
- 9 Master Plumbers, the New Jersey Real Estate Commission, the
- 10 State Board of Court Reporting, the State Board of Veterinary
- 11 Medical Examiners, the Radiologic Technology Board of 12 Examiners, the Acupuncture Examining Board, the State Board of
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- Chiropractic Examiners, the State Board of Respiratory Care, the 14 State Real Estate Appraiser Board, the State Board of Social Work
- 15 Examiners, the State Board of Examiners of Heating, Ventilating,
- 16 Air Conditioning and Refrigeration Contractors, the State Board of
- 17 Physical Therapy Examiners, the Orthotics and Prosthetics Board of
- 18 Examiners, the New Jersey Cemetery Board, the State Board of
- 19 Polysomnography, the New Jersey Board of Massage and
- 20 Bodywork Therapy, the Genetic Counseling Advisory Committee,
- the New Jersey Athlete Agent Regulatory Board and any other 21
- 22 entity hereafter created under Title 45 to license or otherwise
- 23 regulate a profession or occupation.
- 24 (cf: P.L.2009, c.41, s.11)

- 26 21. Section 1 of P.L.1974, c.46 (C.45:1-3.1) is amended to read 27 as follows:
- 28 1. The provisions of this act shall apply to the following boards
- 29 and commissions: the New Jersey State Board of Accountancy, the
- 30 New Jersey State Board of Architects, the New Jersey State Board
- 31 of Cosmetology and Hairstyling, the Board of Examiners of
- 32 Electrical Contractors, the New Jersey State Board of Dentistry, the
- 33 State Board of Mortuary Science of New Jersey, the State Board of
- 34 Professional Engineers and Land Surveyors, the State Board of
- 35 Marriage and Family Therapy Examiners, the State Board of
- 36 Medical Examiners, the New Jersey Board of Nursing, the New
- 37 Jersey State Board of Optometrists, the State Board of Examiners of
- 38 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
- 39 Pharmacy, the State Board of Professional Planners, the State Board 40
- of Psychological Examiners, the State Board of Examiners of 41 Master Plumbers, the State Board of Court Reporting, the State
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- of Veterinary Medical Examiners, the Radiologic
- 43 Technology Board of Examiners, the Acupuncture Examining
- 44 Board, the State Board of Chiropractic Examiners, the State Board
- 45 of Respiratory Care, the State Real Estate Appraiser Board, the New
- 46 Jersey Cemetery Board, the State Board of Social Work Examiners, 47 the State Board of Examiners of Heating, Ventilating, Air
- 48 Conditioning and Refrigeration Contractors, the State Board of

- 1 Physical Therapy Examiners, the State Board of Polysomnography,
- the Orthotics and Prosthetics Board of Examiners, the New Jersey
- 3 Board of Massage and Bodywork Therapy, the Genetic Counseling
- 4 Advisory Committee, the New Jersey Athlete Agent Regulatory
- 5 Board and any other entity hereafter created under Title 45 to
- 6 license or otherwise regulate a profession or occupation.

7 (cf: P.L.2009, c.41, s.12)

- 9 22. Section 2 of P.L.1978, c.73 (C.45:1-15) is amended to read as follows:
- as follows:
 2. The provisions of this act shall apply to the following boards
- and all professions or occupations regulated by, through or with the
- advice of those boards: the New Jersey State Board of Accountancy, the New Jersey State Board of Architects, the New
- Accountancy, the New Jersey State Board of Architects, the New Jersey State Board of Cosmotology and Hairstyling, the Board of
- 15 Jersey State Board of Cosmetology and Hairstyling, the Board of
- 16 Examiners of Electrical Contractors, the New Jersey State Board of
- 17 Dentistry, the State Board of Mortuary Science of New Jersey, the
- 18 State Board of Professional Engineers and Land Surveyors, the
- 19 State Board of Marriage and Family Therapy Examiners, the State
- 20 Board of Medical Examiners, the New Jersey Board of Nursing, the
- 21 New Jersey State Board of Optometrists, the State Board of
- Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
 the Board of Pharmacy, the State Board of Professional Planners,
- 24 the State Board of Psychological Examiners, the State Board of
- 25 Examiners of Master Plumbers, the State Board of Court Reporting,
- the State Board of Veterinary Medical Examiners, the State Board
- of Chiropractic Examiners, the State Board of Respiratory Care, the
- 28 State Real Estate Appraiser Board, the State Board of Social Work
- 29 Examiners, the State Board of Examiners of Heating, Ventilating,
- 30 Air Conditioning and Refrigeration Contractors, the State Board of
- 31 Physical Therapy Examiners, the State Board of Polysomnography,
- 32 the Professional Counselor Examiners Committee, the New Jersey
- 33 Cemetery Board, the Orthotics and Prosthetics Board of Examiners,
- 34 the Occupational Therapy Advisory Council, the Electrologists
- 35 Advisory Committee, the Acupuncture Advisory Committee, the
- 36 Alcohol and Drug Counselor Committee, the Athletic Training
- 37 Advisory Committee, the Certified Psychoanalysts Advisory
- 38 Committee, the Fire Alarm, Burglar Alarm, and Locksmith
- 39 Advisory Committee, the Home Inspection Advisory Committee,
- 40 the Interior Design Examination and Evaluation Committee, the
- 41 Hearing Aid Dispensers Examining Committee, the Landscape
- 42 Architect Examination and Evaluation Committee, the Perfusionists
- 43 Advisory Committee, the Physician Assistant Advisory Committee,
- 44 the Audiology and Speech-Language Pathology Advisory
- 45 Committee, the New Jersey Board of Massage and Bodywork
- 46 Therapy, the Genetic Counseling Advisory Committee, the New
- 47 Jersey Athlete Agent Regulatory Board and any other entity

A2349 MCKEON, COUGHLIN

hereafter created under Title 45 to license or otherwise regulate a
 profession or occupation.

3 (cf: P.L.2009, c.41, s.13)

23. Sections 1 through 6 of this act shall take effect immediately, and the remaining sections shall take effect on the 180th day following enactment.

STATEMENT

This bill establishes the New Jersey Athlete Agent Regulatory Board within the Division of Consumer Affairs in the Department of Law and Public Safety for the registration and regulation of athlete agents.

The bill defines "athlete agent" as an individual who enters into an agency contract with a student-athlete or, directly or indirectly, recruits or solicits a student-athlete to enter into an agency contract, including an individual who represents to the public that the individual is an athlete agent, but does not mean a spouse, parent, sibling, grandparent or guardian of the student-athlete or an individual acting solely on behalf of a professional sports team or professional sports organization. A "student-athlete" is defined as an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in any intercollegiate sport, but if an individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a student-athlete for purposes of that sport.

The New Jersey Athlete Agent Regulatory Board shall consist of nine members who are residents of the State, two of whom shall be public members, and one of whom shall be a member from a department in the Executive Branch of the State Government. Of the remaining six members: two members shall have experience in college athletics; two members shall have experience in high school athletics; and two members shall have experience counseling professional athletes with regard to legal or financial matters.

The bill provides student-athletes with a statutory right to cancel an agency contract within 14 days after the contract is signed without penalty. The athlete agent contracts are required to disclose the amount and method of calculating the agent's compensation, the name of any unregistered person receiving compensation because the student-athlete signed the agreement, a description of reimbursable expenses and services to be provided, as well as warnings disclosing the cancellation and notice requirements imposed under the bill.

Furthermore, the bill requires both the athlete agent and the student-athlete to give notice of the contract to the athletic director of the affected educational institution within 72 hours of signing the

A2349 MCKEON, COUGHLIN

agreement, or before the athlete's next scheduled athletic event, whichever occurs first.

The bill also prohibits athlete agents from providing materially false or misleading information or making a materially false promise or representation with the intent of inducing a studentathlete to enter into an agency contract, or from furnishing anything of value to a student-athlete or another person before that athlete enters into an agency contract. The bill provides that an athlete agent may not intentionally initiate contact with a student-athlete unless registered under the provisions of this bill, and may not refuse or willfully fail to retain or permit inspection of required records, fail to register where required, provide materially false or misleading information in an application for registration or renewal thereof, predate or postdate an agency contract, or fail to notify a student-athlete, prior to signing, that signing an agency contract may make the student-athlete ineligible to participate as a studentathlete in that sport. Also, the bill prohibits an athlete agent from splitting a fee with or receiving compensation from: a professional sports league; a professional sports franchise; a representative or employee of a professional sports league or franchise; or an employee of an educational institution in this State.

The bill makes athlete agents subject to the provisions of the uniform enforcement act for professional boards, P.L.1978, c.73 (C.45:1-14 et seq.). In addition, the board may deny, suspend or revoke the registration of an athlete agent if the agent has engaged in conduct involving certain civil or criminal offenses, has engaged in conduct which resulted in the imposition of a sanction, suspension or declaration of ineligibility to participate in an interscholastic or intercollegiate athletic event on a student-athlete or educational institution, or has been refused registration or licensure or renewal of registration or licensure, or had suspended or revoked a registration or licensure as an athlete agent in another state.