

AMENDED IN SENATE MAY 28, 2002

AMENDED IN SENATE APRIL 3, 2002

AMENDED IN SENATE APRIL 1, 2002

SENATE BILL

No. 1652

**Introduced by Senator Sher
(Coauthor: Senator Costa)**

February 21, 2002

An act to add Chapter 2.5 (commencing with Section 18900) to, and to repeal Chapter 2.5 (commencing with Section 18895) of, Division 8 of the Business and Professions Code, relating to athlete agents, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1652, as amended, Sher. Athlete agents.

Existing law, the Miller-Ayala Athlete Agents Act, regulates specified activities of an athlete agent in representing or seeking to represent student athletes and professional athletes. Under this act, an agent is required to file with the Secretary of State specified information about his or her background, training, and experience and to advise an athlete of the availability of this information. The act also requires the athlete agent to establish a trust fund and deposit into it all funds received on behalf of the athlete. The act includes specified conflict-of-interest provisions pertaining to the activities of an athlete agent. The act imposes additional requirements pertaining to an athlete agent's transactions with a student athlete, specifying the circumstances under which an athlete agent may contact a student athlete or his or her family, and requiring the athlete agent to include a disclosure in a contract with a student athlete, warning the student that he or she may

lose eligibility to compete in interscholastic or intercollegiate sports upon entering into the contract and allowing the student athlete to rescind the contract within 15 days. The act allows for a civil action to recover damages resulting from its violation and makes void any contract that fails to comply with its requirements. The act also makes a violation of its provisions a misdemeanor offense.

This bill would delete the provisions of the Miller-Ayala Athlete Agents Act. The bill would enact the Uniform Athlete Agents Act, which would regulate the activities of an athlete agent in soliciting or contracting to represent a student or professional athlete. The bill would prohibit, subject to specified exceptions, a person from acting as an athlete agent without a certificate of registration issued by the Department of Industrial Relations and would void a contract to represent a student or professional athlete obtained in violation of these requirements. The bill would allow the acceptance of registration as an athlete agent with another state.

This bill would additionally require that a contract between an athlete agent and athlete contain specified provisions. A contract with a student athlete would be required to contain additional provisions, including the right of a student athlete to cancel the contract within 14 days of its execution and a warning that the student may lose his or her eligibility to compete as a student athlete. The bill would require both the agent and student to notify the educational institution in which the student is enrolled within 72 hours of entering into the contract or before the student's next athletic event, whichever occurs first.

This bill would provide for a civil action by an educational institution against an athlete agent for damages resulting from a violation of the requirements of the act. The bill would require an athlete agent to establish a trust fund and deposit into it any payment he or she receives on behalf of a professional athlete. The bill would incorporate other conflict-of-interest provisions that pertain to the activities of an athlete agent under existing law.

This bill would also prohibit other types of specified conduct by an athlete agent and would make their commission a misdemeanor offense. Because the bill would create new crimes, it would impose a state-mandated local program. The bill in addition would make the violation of its provisions grounds for the department to revoke or suspend the athlete agent's registration and to excuse payment of the athlete agent under specified contracts.



This bill would authorize the department to assess a civil penalty not exceeding \$25,000 against an athlete agent. The bill would provide for the imposition of a fee for registration and renewal. The bill would direct that the fees and civil penalties be deposited into the Athlete Agent Registration Fund, which would be created by the bill. Because the bill would authorize the department to expend the fees in the fund, it would make an appropriation.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would become operative on July 1, 2003.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.5 (commencing with Section 18895)
2 of Division 8 of the Business and Professions Code is repealed.

3 SEC. 2. Chapter 2.5 (commencing with Section 18900) is
4 added to Division 8 of the Business and Professions Code, to read:

5

6 CHAPTER 2.5. UNIFORM ATHLETE AGENTS ACT

7

8 Article 1. General Provisions

9

10 18900. This chapter shall be known and may be cited as the
11 Uniform Athlete Agents Act.

12 18901. The following definitions apply for the purposes of
13 this chapter:

14 (a) "Agency contract" means an agreement in which a student
15 or professional athlete authorizes a person to negotiate or solicit on
16 behalf of the student or professional athlete a professional sports
17 services contract or an endorsement contract.

18 (b) "Athlete agent" means an individual who enters into an
19 agency contract with a student athlete or, directly or indirectly,
20 recruits or solicits a student athlete to enter into an agency contract.

21 The term includes an individual who represents to the public that



1 the individual is an athlete agent. The term does not include a
2 spouse, parent, foster parent, sibling, grandparent, or guardian of
3 the student athlete or an individual acting solely on behalf of a
4 professional sports team or professional sports organization.
5 “Athlete agent” also includes individuals who enter into a
6 contract with a professional athlete or directly recruit or solicit a
7 professional athlete to enter into an agency contract. “Athlete
8 agent” does not include a talent agency as defined in subdivision
9 (a) of Section 1700.4 of the Labor Code and licensed by the Labor
10 Commissioner pursuant to Chapter 4 (commencing with Section
11 1700) of Part 6 of Division 2 of the Labor Code that does not
12 directly or indirectly recruit or solicit student athletes to enter into
13 agency contracts, endorsement contracts, or professional sports
14 services contracts, as defined in this chapter.

15 (c) “Athletic director” means an individual responsible for
16 administering the overall athletic program of an educational
17 institution or, if an educational institution has separately
18 administered athletic programs for male students and female
19 students, the athletic program for males or the athletic program for
20 females, as appropriate.

21 (d) “Contact” means a communication, direct or indirect,
22 between an athlete agent and a student or professional athlete, to
23 recruit or solicit the student or professional athlete to enter into an
24 agency contract.

25 (e) “Department” means the Department of Industrial
26 Relations.

27 (f) “Endorsement contract” means an agreement under which
28 a student or professional athlete is employed or receives
29 consideration to use on behalf of the other party any value that the
30 student or professional athlete may have because of publicity,
31 reputation, following, or fame obtained because of athletic ability
32 or performance.

33 (g) “Intercollegiate sport” means a sport played at the
34 collegiate level for which eligibility requirements for participation
35 by a student athlete are established by a national association for the
36 promotion or regulation of collegiate athletics.

37 (h) “Negotiate” means any manner of communication, direct
38 or indirect, by an athlete agent with a professional sports team or
39 organization or other potential employer on behalf of a
40 professional athlete with whom the athlete agent has an agency



1 contract. “Negotiate” also includes an athlete agent being present
2 on behalf of a professional athlete with whom he or she has an
3 agency contract during any discussion of a professional
4 endorsement contract or professional sports service contract with
5 a representative of the professional sports team or organization or
6 the potential or actual employer of the professional athlete.

7 (i) “Person” means an individual, corporation, business trust,
8 estate, trust, partnership, limited liability company, association,
9 joint venture, government, governmental subdivision, agency, or
10 instrumentality, public corporation, or any other legal or
11 commercial entity.

12 (j) “Professional athlete” means an individual who has entered
13 into a valid professional sports service contract, an agency contract
14 for the provision of professional sports services, or an
15 endorsement contract based on athletic ability or performance, or
16 an individual who is otherwise permanently ineligible to
17 participate in a particular intercollegiate sport. “Professional
18 athlete” does not include a student athlete as defined in this
19 chapter, but does include a former student athlete who has
20 previously signed a valid professional sports services, agency, or
21 endorsement contract.

22 (k) “Professional sports services contract” means an
23 agreement under which an individual is employed, or agrees to
24 render services, as a player on a professional sports team, with a
25 professional sports organization, or as a professional athlete.

26 (l) “Record” means information that is inscribed on a tangible
27 medium or that is stored in an electronic or other medium and is
28 retrievable in perceivable form.

29 (m) “Registration” means registration as an athlete agent
30 pursuant to this chapter.

31 (n) “State” means a state of the United States, the District of
32 Columbia, Puerto Rico, the United States Virgin Islands, or any
33 territory or insular possession subject to the jurisdiction of the
34 United States.

35 (o) “Student athlete” means an individual who engages in, is
36 eligible to engage in, or may be eligible in the future to engage in,
37 any intercollegiate sport. If an individual is permanently ineligible
38 to participate in a particular intercollegiate sport, the individual is
39 not a student athlete for purposes of that sport.

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1 Article 2. Registration of Athlete Agents

2
3 18910. (a) Except as otherwise provided in subdivision (b),
4 an individual may not act as an athlete agent in this state without
5 holding a certificate of registration under Section 18912 or 18914.

6 (b) Before being issued a certificate of registration, an
7 individual may act as an athlete agent in this state for all purposes
8 except signing an agency contract, if a student or professional
9 athlete or another person acting on behalf of the student or
10 professional athlete initiates communication with the individual,
11 and within seven days after an initial act as an athlete agent, the
12 individual submits an application for registration as an athlete
13 agent in this state.

14 (c) An agency contract resulting from conduct in violation of
15 this section is void, and the athlete agent shall return any
16 consideration received under the contract.

17 18910.5. (a) Upon making first contact with a student or
18 professional athlete or with a relative, cohabitant, or a
19 representative of the student or professional athlete, an athlete
20 agent shall provide that person with a notification in a record
21 stating the following:

22 “This athlete agent has current public disclosure information on
23 file with the Department of Industrial Relations, as required under
24 California law, which also contains other protections of athletes.
25 Filing of required information does not constitute approval by the
26 Department of Industrial Relations of the competence of this
27 athlete agent.”

28 (b) This notification shall also contain specific instructions on
29 the procedure to obtain disclosure information from the
30 Department of Industrial Relations.

31 18911. (a) An applicant for registration shall submit an
32 application for registration to the department in a form prescribed
33 by the department. The application shall be in the name of an
34 individual and, except as otherwise provided in subdivision (b),
35 signed or otherwise authenticated by the applicant under penalty
36 of perjury and state or contain the following information:

37 (1) The name of the applicant and the address of the applicant’s
38 principal place of business.

39 (2) The name of the applicant’s business or employer, if
40 applicable.



1 (3) Any business or occupation engaged in by the applicant for
2 the five years next preceding the date of submission of the
3 application.

4 (4) A description of the applicant's formal training and
5 practical experience as an athlete agent and a description of the
6 applicant's educational background relating to his or her activities
7 as an athlete agent.

8 (5) The names and addresses of three individuals not related to
9 the applicant who are willing to serve as references.

10 (6) The name, sport, and last known team for each individual
11 for whom the applicant acted as an athlete agent during the five
12 years next preceding the date of submission of the application.

13 (7) If a corporation is employing the athlete agent, the names
14 and addresses of all persons who are officers or directors, and the
15 name and address of any shareholder of the corporation having an
16 interest of 5 percent or greater.

17 (8) If the athlete agent's business is other than a corporation, the
18 names and addresses of all persons who are the partners, members,
19 officers, managers, associates, or profit sharers of the business.

20 (9) Whether the applicant or any person named pursuant to
21 paragraph (7) or (8) has been convicted of a crime that, if
22 committed in this state, would be a crime involving moral
23 turpitude or a felony, and identify the crime.

24 (10) Whether there has been any administrative or judicial
25 determination that the applicant or any person named pursuant to
26 paragraph (7) or (8) has made a false, misleading, deceptive, or
27 fraudulent representation.

28 (11) Any instance in which the conduct of the applicant or any
29 person named pursuant to paragraph (7) or (8) resulted in the
30 imposition of a sanction, suspension, or declaration of ineligibility
31 to participate in an interscholastic or intercollegiate athletic event
32 on a student athlete or educational institution.

33 (12) Any sanction, suspension, or disciplinary action taken
34 against the applicant or any person named pursuant to paragraph
35 (7) or (8) arising out of occupational or professional conduct.

36 (13) Whether there has been any denial of an application for,
37 suspension or revocation of, or refusal to renew, the registration or
38 licensure of the applicant or any person named pursuant to
39 paragraph (7) or (8) as an athlete agent in any state.



1 (b) An individual who has submitted an application for, and
2 holds a certificate of, registration or licensure as an athlete agent
3 in another state may submit a copy of the application and
4 certificate in lieu of submitting an application in the form
5 prescribed pursuant to subdivision (a). The department shall
6 accept the application and the certificate from the other state as an
7 application for registration in this state if the application to the
8 other state meets the following criteria:

9 (1) It was submitted in the other state within six months next
10 preceding the submission of the application in this state, and the
11 applicant certifies that the information contained in the application
12 is current.

13 (2) It contains information substantially similar to or more
14 comprehensive than that required in an application submitted in
15 this state.

16 (3) It was signed by the applicant under penalty of perjury.

17 18912. (a) Except as otherwise provided in subdivision (b),
18 the department shall issue a certificate of registration to an
19 individual who complies with subdivision (a) of Section 18911 or
20 whose application has been accepted under subdivision (b) of
21 Section 18911.

22 (b) The department may refuse to issue a certificate of
23 registration if the department determines that the applicant has
24 engaged in conduct that has a significant adverse effect on the
25 applicant's fitness to act as an athlete agent. In making the
26 determination, the department may consider whether the applicant
27 has:

28 (1) Been convicted of a crime that, if committed in this state,
29 would be a crime involving moral turpitude or a felony.

30 (2) Made a materially false, misleading, deceptive, or
31 fraudulent representation in the application or as an athlete agent.

32 (3) Engaged in conduct that would disqualify the applicant
33 from serving in a fiduciary capacity.

34 (4) Engaged in conduct prohibited by Section 18930.

35 (5) Had a registration or licensure as an athlete agent
36 suspended, revoked, or denied or been refused renewal of
37 registration or licensure as an athlete agent in any state.

38 (6) Engaged in conduct the consequence of which was that a
39 sanction, suspension, or declaration of ineligibility to participate



1 in an interscholastic or intercollegiate athletic event was imposed
2 on a student athlete or educational institution.

3 (7) Engaged in conduct that significantly adversely reflects on
4 the applicant's credibility, honesty, or integrity.

5 (c) In making a determination under subdivision (b), the
6 department shall consider how recently the conduct occurred, the
7 nature of the conduct and the context in which it occurred, and any
8 other relevant conduct of the applicant.

9 (d) The term of a certificate of registration is two years from the
10 date of its issuance.

11 18913. (a) An athlete agent may apply to renew a registration
12 by submitting an application for renewal in a form prescribed by
13 the department. The application for renewal shall be signed by the
14 applicant under penalty of perjury and contain current information
15 on all matters required in an original registration.

16 (b) An individual who has submitted an application for renewal
17 of registration or licensure in another state, in lieu of submitting
18 an application for renewal in the form prescribed pursuant to
19 subdivision (a), may file a copy of the application for renewal and
20 a valid certificate of registration or licensure from the other state.
21 The department shall accept the application for renewal from the
22 other state as an application for renewal in this state if the
23 application to the other state meets the following criteria:

24 (1) It was submitted in the other state within six months next
25 preceding the filing in this state, and the applicant certifies the
26 information contained in the application for renewal is current.

27 (2) It contains information substantially similar to or more
28 comprehensive than that required in an application for renewal
29 submitted in this state.

30 (3) It was signed by the applicant under penalty of perjury.

31 (c) The term of the renewal of a certificate of registration is two
32 years from the date of its renewal.

33 18914. The department may issue a temporary certificate of
34 registration while an application for registration or renewal of
35 registration is pending.

36 18915. An application for a certificate of registration and an
37 application for renewal of a certificate of registration are public
38 records for the purposes of the California Public Records Act
39 (Chapter 3.5 (commencing with Section 6250) of Division 7 of
40 Title 1 of the Government Code).



1 18916. (a) The department may suspend, revoke, or refuse to
2 renew a registration for conduct that would have justified denial
3 of registration under subdivision (b) of Section 18912.

4 (b) The department may deny, suspend, revoke, or refuse to
5 renew a certificate of registration or licensure only after proper
6 notice and an opportunity for a hearing. The proceedings under
7 this subdivision shall be conducted in accordance with Chapter 5
8 (commencing with Section 11500) of Part 1 of Division 3 of Title
9 2 of the Government Code.

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11 Article 3. Agency Contracts

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13 18920. (a) An agency contract shall be in a record, signed or
14 otherwise authenticated by the parties.

15 (b) An agency contract shall state or contain the following:

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

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

26 (3) A description of any expenses that the student or
27 professional athlete agrees to reimburse.

28 (4) A description of the services to be provided to the student
29 or professional athlete.

30 (5) The duration of the contract.

31 (6) The date of execution.

32 (c) Every agency contract in which a student athlete is a party
33 shall contain, in close proximity to the signature of the student
34 athlete, a conspicuous notice in boldface type in capital letters
35 stating the following:

36

37 “WARNING TO STUDENT ATHLETE

38

39 IF YOU SIGN THIS CONTRACT:

40



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

3 (2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72
4 HOURS AFTER ENTERING INTO THIS CONTRACT OR
5 BEFORE YOUR NEXT SCHEDULED ATHLETIC EVENT,
6 WHICHEVER OCCURS FIRST, BOTH YOU AND YOUR
7 ATHLETE AGENT MUST NOTIFY YOUR ATHLETIC
8 DIRECTOR. FAILURE TO DO SO MAY RESULT IN
9 SIGNIFICANT CIVIL LIABILITY.

10 (3) YOU MAY CANCEL THIS CONTRACT WITHIN 14
11 DAYS AFTER SIGNING IT. CANCELLATION OF THIS
12 CONTRACT MAY NOT REINSTATE YOUR ELIGIBILITY.”

13

14 (d) An agency contract that does not conform to this chapter is
15 voidable by the student or professional athlete. If a student or
16 professional athlete voids an agency contract, the student or
17 professional athlete is not required to pay any consideration under
18 the contract or to return any consideration received from the
19 athlete agent to induce the student or professional athlete to enter
20 into the contract.

21 (e) The athlete agent shall give a record of the signed or
22 otherwise authenticated agency contract to the student or
23 professional athlete at the time of execution.

24 18921. (a) Within 72 hours after entering into an agency
25 contract or before the next scheduled athletic event in which the
26 student athlete may participate, whichever occurs first, the athlete
27 agent shall give notice in a record of the existence of the contract
28 to the athletic director of the educational institution at which the
29 student athlete is enrolled or the athlete agent has reasonable
30 grounds to believe the student athlete intends to enroll.

31 (b) Within 72 hours after entering into an agency contract or
32 before the next athletic event in which the student athlete may
33 participate, whichever occurs first, the student athlete shall inform
34 the athletic director of the educational institution at which the
35 student athlete is enrolled that he or she has entered into an agency
36 contract.

37 18922. (a) A student athlete may cancel an agency contract
38 by giving notice of the cancellation to the athlete agent in a record
39 within 14 days after the contract is signed.



1 (b) A student athlete may not waive the right to cancel an
2 agency contract.

3 (c) If a student athlete cancels an agency contract, the student
4 athlete is not required to pay any consideration under the contract
5 or to return any consideration received from the athlete agent to
6 induce the student athlete to enter into the contract.

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Article 4. Offenses and Enforcement

10 18930. (a) An athlete agent, with the intent to induce a
11 student or professional athlete to enter into an agency contract,
12 may not engage in any of the following conduct:

13 (1) Give any materially false or misleading information or
14 make a materially false promise or representation.

15 (2) Furnish anything of value to a student or professional
16 athlete before the student or professional athlete enters into the
17 agency contract.

18 (3) Furnish anything of value to any individual other than the
19 student or professional athlete or another registered athlete agent.

20 (b) An athlete agent may not intentionally engage in any of the
21 following conduct:

22 (1) Initiate contact with a student or professional athlete unless
23 registered under this chapter.

24 (2) Refuse or fail to retain or permit inspection of the records
25 required to be retained by Section 18950.

26 (3) Fail to register when required by Section 18910.

27 (4) Provide materially false or misleading information in an
28 application for registration or renewal of registration.

29 (5) Predate or postdate an agency contract.

30 (6) Fail to notify a student athlete before the student athlete
31 signs or otherwise authenticates an agency contract for a particular
32 sport that the signing or authentication may make the student
33 athlete ineligible to participate as a student athlete in that sport.

34 (7) Fail to submit a first contact notification as required by
35 Section 18910.5.

36 18931. An athlete agent who violates Section 18930 is guilty
37 of a misdemeanor punishable by a fine not to exceed fifty thousand
38 dollars (\$50,000), by imprisonment in a county jail not to exceed
39 one year, or by both that fine and imprisonment. A court may



1 suspend or revoke the registration of any person convicted of a
2 criminal violation of this section.

3 18932. (a) An educational institution has a right of action
4 against an athlete agent for damages caused by a violation of this
5 chapter. In an action under this section, the court may award to the
6 prevailing party costs and reasonable attorney's fees.

7 (b) Damages of an educational institution under subdivision (a)
8 include losses and expenses incurred because, as a result of the
9 conduct of an athlete agent, the educational institution was injured
10 by a violation of this chapter or was penalized, disqualified, or
11 suspended from participation in athletics by a national association
12 for the promotion and regulation of athletics, by an athletic
13 conference, or by reasonable self-imposed disciplinary action
14 taken to mitigate sanctions likely to be imposed by such an
15 organization.

16 (c) A right of action under this section does not accrue until the
17 educational institution discovers or by the exercise of reasonable
18 diligence would have discovered the violation by the athlete agent.

19 (d) This chapter does not restrict rights, remedies, or defenses
20 of any person under law or equity.

21 18933. The department may assess a civil penalty against an
22 athlete agent not to exceed twenty-five thousand dollars (\$25,000)
23 for a violation of this chapter. The provisions of paragraphs (1),
24 (2), (4), and (5) of subdivision (b) of Section 125.9 apply to the
25 assessment of a civil penalty made under this section.

26

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Article 5. Revenue

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29 18940. An application for registration or renewal of
30 registration shall be accompanied by a fee, the amount of which
31 shall be established by regulation promulgated by the department.
32 This fee shall be an amount that is sufficient to fund the costs of
33 administering this chapter *and to repay the loan authorized*
34 *pursuant to Section 18942.*

35 18941. All fees collected pursuant to Section 18940 and all
36 civil penalties collected pursuant to Section 18933 shall be
37 deposited into the Athlete Agent Registration Fund, which is
38 hereby created. Notwithstanding Section 13340 of the
39 Government Code, the department may expend for the purposes
40 of this chapter, the moneys deposited into this fund pursuant to



1 Section 18940. Any other expenditure from this fund may be made
2 only upon appropriation by the Legislature.

3 *18942. In order to implement this chapter, the Director of*
4 *Finance shall approve a loan from the General Fund to the*
5 *department for startup costs, which shall be repaid from the fee*
6 *revenue collected pursuant to Section 18940.*

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Article 6. Miscellaneous

10 18950. (a) An athlete agent shall retain the following records
11 for a period of five years:

12 (1) The name and address of each individual represented by the
13 athlete agent.

14 (2) Any agency contract entered into by the athlete agent.

15 (3) Any direct costs incurred by the athlete agent in the
16 recruitment or solicitation of a student or professional athlete to
17 enter into an agency contract.

18 (b) Records required by subdivision (a) to be retained are open
19 to inspection by the department during normal business hours.

20 18951. By acting as an athlete agent in this state, a nonresident
21 individual appoints the department as the individual’s agent for
22 service of process in any civil action in this state related to the
23 individual’s acting as an athlete agent in this state.

24 18952. The department may issue subpoenas for any material
25 that is relevant to the administration of this chapter.

26 18953. The provisions of this chapter governing the legal
27 effect, validity, or enforceability of electronic records or
28 signatures, and of contracts formed or performed with the use of
29 those records or signatures conform to the requirements of Section
30 102 of the Electronic Signatures in Global and National
31 Commerce Act (15 U.S.C. Sec. 7001 et seq.) and supersede,
32 modify, and limit the Electronic Signatures in Global and National
33 Commerce Act.

34 18954. The provisions of this chapter are taken from the
35 Uniform Athlete Agents Act of 2000, drafted by the National
36 Conference of Commissioners on Uniform State Laws. In
37 applying and construing the provisions of this chapter,
38 consideration shall be given to the need to promote uniformity of
39 the law with respect to its subject matter among states that enact
40 it.



1 18955. The department may, in accordance with Chapter 3.5
2 (commencing with Section 11340) of Part 1 of Division 3 of Title
3 2 of the Government Code, adopt, amend, and repeal any other
4 regulations reasonably necessary for the purpose of administering
5 this chapter and consistent with this chapter.

6 18956. (a) The athlete agent shall establish a trust fund if the
7 athlete agent is the recipient of a professional athlete's salary. An
8 athlete agent who receives any payment on behalf of a professional
9 athlete shall immediately deposit the payment in a trust fund
10 account maintained by the athlete agent in a state or federally
11 chartered financial institution. The department may require an
12 athlete agent who receives any payment on behalf of a professional
13 athlete to post a surety bond in an amount established by
14 regulation.

15 (b) The department may require proof of the validity of the trust
16 fund. The department may promulgate regulations defining the
17 standards to comply with this requirement.

18 18957. (a) No athlete agent shall have an ownership or
19 financial interest in any entity that is directly involved in the same
20 sport as a person with whom the athlete agent has entered into an
21 agency contract, or for whom the athlete agent is attempting to
22 negotiate an endorsement contract, or professional sports service
23 contract, or for whom the athlete agent provides advice concerning
24 potential or actual employment as a professional athlete.

25 (b) If an athlete agent or athlete agent's representative or
26 employee provides financial services to a professional athlete or
27 student athlete or advises the athlete concerning investment of
28 funds, the athlete agent shall disclose to the athlete any ownership
29 interest the athlete agent, representative, or employee has in any
30 entity regarding which the athlete agent, representative, or
31 employee is providing financial services or giving advice, and any
32 commission the athlete agent, representative, or employee will
33 receive from the athlete's investment.

34 (c) No athlete agent shall divide fees with, or receive
35 compensation from, a professional sports league, team, or other
36 organization or its representatives or employees, or offer or allow
37 any full-time employee of a union or players' association
38 connected with professional sports to own or participate in any of
39 the revenues of the athlete agent.



1 (d) No athlete agent or athlete agent’s representative or
2 employee shall offer or provide money or anything of benefit or
3 value, including, but not limited to, free or reduced price legal
4 services, to any elementary or secondary school, college,
5 university, or other educational institution, or any representative
6 or employee of any of these educational institutions in return for
7 the referral of any clients.

8 (e) All forms of advertising used by an athlete agent within the
9 State of California shall include the name and business address of
10 the athlete agent.

11 18958. No athlete agent shall knowingly secure employment
12 for a person in any place where a strike, lockout, or other labor
13 trouble exists, without notifying the person of those conditions.

14 18959. (a) No athlete agent shall knowingly enter into a
15 contract containing any term or condition that, if complied with,
16 would be in violation of law, or attempt to fill an order for help to
17 be employed in violation of the law.

18 (b) No person shall owe an athlete agent any money or other
19 consideration pursuant to a professional sports services contract,
20 an endorsement contract, or a financial services contract
21 negotiated by the athlete agent if the athlete agent fails to comply
22 with any provision of this chapter. The athlete agent shall refund
23 any money or other consideration he or she received pursuant to
24 that contract.

25 18960. The provisions of this chapter are severable. If any
26 provision of this chapter or its application is held invalid, that
27 invalidity shall not affect other provisions or applications that can
28 be given effect without the invalid provision or application.

29 SEC. 3. This act shall become operative on July 1, 2003.

30 SEC. 4. No reimbursement is required by this act pursuant to
31 Section 6 of Article XIII B of the California Constitution because
32 the only costs that may be incurred by a local agency or school
33 district will be incurred because this act creates a new crime or
34 infraction, eliminates a crime or infraction, or changes the penalty
35 for a crime or infraction, within the meaning of Section 17556 of
36 the Government Code, or changes the definition of a crime within
37 the meaning of Section 6 of Article XIII B of the California
38 Constitution.

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