



Statement of Libby Snyder, Legislative Counsel at the Uniform Law Commission, to the Senate Judiciary Committee in Support of House Bill 2521 – Enacting the Revised Uniform Athlete Agents Act.

Public Hearing of March 11, 2020

Chair Wilborn and Members of the Committee:

Thank you for considering House Bill 2521, enacting the Revised Uniform Athlete Agents Act, promulgated by the Uniform Law Commission (ULC). The ULC is a non-profit organization formed in 1892 to draft non-partisan model legislation in the areas of state law for which uniformity among the states is advisable.

The state of Kansas has a long and successful history of enacting ULC acts, including the Uniform Athlete Agents Act, the Uniform Commercial Code, the Uniform Anatomical Gifts Act, the Uniform Trade Secrets Act, and the Uniform Transfers to Minors Act, as well as others.

The impetus for revising the Uniform Athlete Agents Act was to provide modernized legislation for the ever-evolving sports commercial marketplace and the increasing improper activity between athlete agents and student athletes. Under the National Collegiate Athletic Association (NCAA) rules (Bylaw 12.3), if a student athlete has agreed to be represented by an athlete agent for the purpose of marketing his or her athletics ability or reputation in a sport, or has accepted benefits from an athlete agent, that individual becomes ineligible to participate in an intercollegiate sport. This can cause student athletes to lose scholarships and face sanctions they might not expect. If the ineligibility is not disclosed to the school, and an ineligible athlete is allowed to compete in violation of NCAA rules, that school may face a wide variety of sanctions, including suspensions, fines, and the possible loss of post-season play and all the revenue that this might represent.

House Bill 2521 is necessary because it improves current athlete agent law in Kansas, in order to adapt to changing activities in the extremely competitive environment in which athlete agents operate. House Bill 2521 provides rules to not only protect educational institutions in Kansas, but student athletes that attend them as well. This legislation also delivers clear and succinct guidelines for athlete agents operating within the state.

The term “athlete agent”, defined in House Bill 2521, now includes financial advisors, business advisors, career managers and individuals who give something of value to a student athlete or another person in anticipation of representing the athlete for a purpose related to the athlete’s participation in athletics.

House Bill 2521 enhances information required to be disclosed by an athlete agent in an application for registration to the Kansas Secretary of State. These disclosure requirements

create transparency in the interactions between athlete agents and student athletes.

House Bill 2521 also enhances agency contract requirements by now requiring an agency contract to contain provisions for parents or guardians to execute or void an agency contract if the athlete is a minor; as well a separate record, signed by the student athlete, acknowledging that signing the contract may result in loss of eligibility to participate in the athlete's sport.

House Bill 2521 adds notification requirements to mandating an athlete agent to notify the educational institution where a student athlete is enrolled before contacting a student athlete; and when a preexisting relationship between themselves and the student athlete exists, if the relationship was motivated by the intention to recruit the student athlete to enter an agency contract or the agent actually recruited the student athlete to enter a contract and the athlete agent knew or should have known of the enrollment.

House Bill 2521 also allows athlete agents to cover limited expenses of a prospective or enrolled student athlete and their family for meals, hotel and travel in connection with the agent selection process. This accommodates changes the NCAA made to its bylaws on August 8, 2018.

House Bill 2521 further provides remedies for student athletes by giving student athletes the right to sue an athlete agent for damages caused by a violation of the bill.

If passed, House Bill 2521 will be an important step in modernizing athlete agent regulation in Kansas. I ask for your support to advance this important legislation. Thank you for your time and consideration.

Libby Snyder
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Uniform Law Commission



The Uniform Athlete Agents Act (UAAA), promulgated by the ULC in 2000, was enacted in Kansas in 2003. The UAAA was revised in 2015 and is now known as the Revised Uniform Athlete Agents Act (RUAAA). The purposes of the RUAAA include providing enhanced protection for student athletes and educational institutions, creating a uniform body of agent registration information for use by state agencies, and simplifying the regulatory environment faced by legitimate athlete agents.

House Bill 2521 completely repeals the Kansas UAAA statute enacted in 2003 and replaces it with the language of the RUAAA. While this method of updating statute is easier to read and understand as a comprehensive piece of legislation, it deemphasizes just how many of the provisions in current law will remain exactly or substantially the same. The sections of the RUAAA that do not change or only minimally change current Kansas law are as follows:

- **Section 1.** Short title.
- **Section 2.** Definitions. The RUAAA adds several new defined terms and substantially modifies the definition of “athlete agent”. The definitions for the following terms remain exactly or substantially the same as enacted in 2003:
 - Agency contract,
 - Athletic director,
 - Endorsement contract,
 - Intercollegiate sport,
 - Person,
 - Professional-sports-services contract,
 - Record,
 - Registration,
 - State, and
 - Student athlete.
- **Section 3.** Service of process; subpoenas. This section has been reformatted and edited to be more concise, but the effect remains the same.
- **Section 4.** Athlete agents; registration required; void contracts.
- **Section 5.** Registration as an athlete agent; form; requirements.
 - Most of the existing provisions of this section regarding information to be included on an application for registration remain unchanged. The RUAAA requires additional information to be included on an application for registration, including identification of social media accounts with which the applicant’s business is affiliated, email addresses and business websites, and each state in which the applicant is currently registered as an athlete agent or has applied to be registered to be an athlete agent.
 - Subsections (b) to (d) are significantly revised to provide a true reciprocal registration process. Under the RUAAA, individuals who are registered athlete agents in State A may apply for registration in Kansas by submitting to the Secretary of State: a copy of the application for registration they submitted in

State A, a statement that identifies any material change in the information on the application for registration, and a copy of the certificate of registration from State A. The Secretary of State shall issue the applicant a certificate of registration in Kansas if the Secretary determines that the registration requirements of State A are substantially similar to or more restrictive than those contained in HB 2521 and that the registration has not been revoked or suspended in State A.

- **Section 6.** Certificate of registration; issuance or denial; renewal. Subsections (a) to (d) and (f) of this section remain substantially the same as enacted in 2003. Subsection (e) is significantly revised to provide a true reciprocal process for renewals.
- **Section 7.** Suspension, revocation or refusal to renew registration. The effect of this section remains largely unchanged. In HB 2521, this section removes reference to the Kansas administrative procedures act. This is because the statement that this Act is subject to the Kansas administrative procedures act was moved to Section 3.
- **Section 8.** Temporary registration.
- **Section 9.** Registration and renewal fees.
- **Section 10.** Required form of contract. Subsections (a), (b) and (d) remain largely unchanged.
 - Subsection (c) adds a new requirement that agency contracts contain a separate record signed by the student athlete acknowledging that signing the contract may result in the loss of the athlete's eligibility to participate in the athlete's sport.
 - Subsection (e) requires the athlete agent to give a copy of the agency contract and the separate acknowledgment required by subsection (c) at the time the agency contract is executed.
 - Subsection (f) states that if the student athlete is a minor, a parent or guardian of the student athlete shall sign the agency contract.
- **Section 11.** Notice to educational institution. Subsections (a) and (b) are similar to current statute in Kansas.
 - Subsections (d) to (f) are new notice requirements intended to give educational institutions notice of pre-existing relationships between athlete agents and student athletes and prior notice of any communication between an athlete agent and a student athlete enrolled at the institution. If the communication is initiated by the student athlete or someone on behalf of the student athlete, there is a safe harbor for the agent to report the communication.
 - Subsection (g) adds a requirement that an educational institution that becomes aware of a violation of the act notify the enforcement agency.
- **Section 12.** Student athlete's right to cancel.
- **Section 13.** Required records.
- **Section 14.** Prohibited conduct. Subsections (a)(4) to (8), (b), and (c) remain largely unchanged.
 - Subsections (a)(1) to (3) were revised substantially as a result of changes made to NCAA bylaws in August 2018.
- **Section 15.** Civil remedy.
 - This section was revised substantially. The UAAA gave an educational institution a right of action against a student athlete or athlete agent in violation of the act. The RUAAA gives educational institutions and student athletes a right of action against an athlete agent who acts in violation of the act.

- **Section 16.** Treasury fund.
- **Section 17.** Uniformity of application and construction.

