

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 199  
Economic Matters

(Delegate Rosenberg, *et al.*)

Finance

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**Maryland Uniform Athlete Agents Act - Contact with Individuals Associated  
with Student-Athlete**

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This bill prohibits an athlete agent from communicating, directly or indirectly, with anyone associated with a student-athlete, including the student-athlete's parent, blood relative, or legal guardian with the intention of recruiting or soliciting the student-athlete to enter into an agency contract, unless licensed under the Maryland Uniform Athlete Agents Act. A violation would subject the athlete agent to the same criminal penalty applicable to communication directly with the student-athlete.

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**Fiscal Summary**

**State Effect:** None. The bill would not directly affect State operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** An athlete agent may not communicate with a student-athlete, directly or indirectly, with the intention of recruiting or soliciting the student-athlete to enter into an agency contract, without being licensed. A violator is guilty of a misdemeanor and subject to a fine of up to \$10,000 or imprisonment for up to one year, or both. Additional violations include using false or misleading statements or furnishing anything of value to the student-athlete or other individual in solicitation of a student-athlete; pre-dating or post-dating a contract; failing to notify the student athlete of potential ineligibility as a

student-athlete upon signing an agency contract; and receiving compensation from or splitting fees with a professional sports league, sports franchise, a representative or employee of a professional sports league or sports franchise, or an employee of an educational institution in the State.

An individual must be licensed under the Maryland Uniform Athlete Agents Act to act as an athlete agent in the State. Generally, an agency contract entered into by an unlicensed athlete agent is void, and any consideration received by the athlete agent must be returned.

To obtain a license, an individual must submit an application and pay a \$25 application fee and a \$1,000 license fee. The application must contain information on the individual's formal training; practical experience; educational background relating to the applicant's activities as an athlete agent; the athletes the applicant has represented in the last five years; names and addresses of specified business associates of the applicant (if the applicant is affiliated with a corporation, the names and addresses of the officers and any 5% or greater shareholders); and any history of specified criminal, civil, or disciplinary action against the applicant or other persons named on the application. A license is valid for two years.

Provided that notifications are given to specified educational institution(s), a student-athlete may enter into an agency contract at any time. The contract between an athlete agent and a student-athlete must contain specified information relating to payment and services and a conspicuous warning to the student-athlete regarding the student-athlete's eligibility and responsibility of notification if an agency contract is signed. The student has a statutory right to cancel a contract within 14 days of the contract being signed, without penalty.

**Background:** The Maryland Uniform Athlete Agents Act took effect October 1, 2003 pursuant to Chapter 421 of 2003, replacing the Maryland Sports Agents Act. The Uniform Athlete Agents Act, drafted by the National Conference of Commissioners on Uniform State Laws, was intended to improve state sports agent laws, increasing protections for student-athletes and educational institutions, and provide a uniform, registration, certification, and background check for sports agents from state to state. The Act has been adopted in 34 states, and legislation is being considered in 5 states in 2006.

Tennessee, Louisiana, and Pennsylvania's laws have similar provisions to that being proposed by this bill, in which communication with an individual other than the student athlete, with the intention of recruiting or soliciting the student-athlete to enter a contract, is equated with communicating with the student athlete.

There are currently 26 individuals and 6 businesses licensed as athlete agents in Maryland.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; National Conference of Commissioners on Uniform State Laws; Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2006  
ncs/ljm

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