

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE

House Bill 920  
Economic Matters

(Delegate Rosenberg)  
Education, Health, and Environmental Affairs

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Maryland Uniform Athlete Agents Act - Definitions and Prohibitions

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This bill alters the definitions “agency contract” and “athlete agent” as defined in the Maryland Uniform Athlete Agents Act. Additionally, the bill prohibits an athlete agent from soliciting a person who is not an athlete agent to conduct specified prohibited actions on their behalf.

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Fiscal Summary

**State Effect:** Minimal increase in general fund revenues from licensing additional individuals as athlete agents. The application of existing penalties is not expected to materially affect State finances.

**Local Effect:** The application of existing penalties is not expected to materially affect local finances.

**Small Business Effect:** Minimal or none.

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Analysis

**Bill Summary:** An “agency contract” includes an agreement for current or future representation in which a student athlete authorizes a person to assess and plan the financial situation of the student athlete’s professional sports career. An “athlete agent” includes an individual who facilitates or encourages a connection between a student athlete and another athlete agent. Prohibited acts for athlete agents include soliciting another individual who is not an athlete agent to commit an act prohibited by the Maryland Uniform Athlete Agents Act, on behalf of the athlete agent.

**Current Law:** An individual must be licensed under the Maryland Uniform Athlete Agents Act to act as an athlete agent in the State. A person who wishes to be licensed as an athlete agent must submit an application, a \$25 application fee, and a \$1,000 licensing fee to the Department of Labor, Licensing, and Regulation (DLLR). Generally, an agency contract entered into by an unlicensed athlete agent is void, and any consideration received by the athlete agent must be returned. 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.

“Agency contract” means an agreement in which a student athlete authorizes a person to negotiate or solicit on behalf of the student athlete 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. This also includes an individual who represents to the public that the individual is an athlete agent.

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 notification responsibilities 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.

Prohibited acts for athlete agents include:

- giving false or misleading statements;
- furnishing anything of value to the student athlete before the student athlete enters into the agency contract;
- furnishing anything of value to any individual other than the student athlete or another licensed athlete agent;
- initiating contact with a student athlete unless licensed as an athlete agent;
- refusing inspection of, or failing to retain, required records;
- 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.

A violator of the prohibited acts is guilty of a misdemeanor and subject to a fine of up to \$10,000 or imprisonment for up to one year, or both. The Secretary of Labor, Licensing, and Regulation may also assess a civil penalty of up to \$25,000 for a violation of the Act.

**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.

**State Fiscal Effect:** General fund revenues increase minimally in fiscal 2013 and thereafter to the extent that additional individuals seek licensure as athlete agents under the bill. Each original application must include a \$25 application fee and a \$1,000 license fee. Any additional license applications can be handled with existing budgeted resources by DLLR. The application of existing penalties to the additional athlete agent conduct prohibitions is not expected to materially affect State finances.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore City Community College; Morgan State University; University System of Maryland; Maryland Higher Education Commission; Maryland State Department of Education; Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2012  
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