THE REVISED UNIFORM ATHLETE AGENTS ACT (2015)

- A Summary -

With the immense amount of money at stake for a wide variety of professional athletes and those who represent them, the commercial marketplace in which athlete agents operate is extremely competitive. While seeking to best position one’s clients and to maximize their potential income is both legal and good business practice, the recruitment of a student athlete while he or she is still enrolled in an educational institution can and will cause substantial eligibility problems for both the student athlete and the educational institution, which in turn lead to severe economic sanctions and loss of scholarships for the institution. The problem becomes worse where an unethical agent misleads a student, especially where the athlete is not aware of the possible effect of signing the agency agreement or where agency is established without notice to the athletic director of the institution. In an effort to address these problems, the Uniform Law Commission (ULC) drafted the Uniform Athlete Agents Act (UAAA), which was approved in 2000.

The UAAA provided for the uniform registration and certification of individuals who sought to represent student athletes who were or may have been eligible to participate in intercollegiate sports. Agents who were issued a valid certificate of registration or licensure in one state were able to cross-file that application (or a renewal thereof) in all other states that have adopted the act. Individuals who applied for registration as agents were required to disclose their training, experience, and education, whether they or an associate had been convicted of a felony or crime of moral turpitude, had been administratively or judicially determined to have made false or deceptive representations, had their agent’s license denied, suspended, or revoked in any state, or had been the subject or cause of any sanction, suspension, or declaration of ineligibility. The UAAA provided a central location where an athlete agent's credentials could be reviewed by the student athlete and the educational institution, which aided a student athlete in selecting a qualified athlete agent.

In addition, the UAAA required athlete agency contracts to contain the amount and method of calculating an agent’s compensation, the name of any unregistered person receiving compensation because the athlete signed the agreement, a description of reimbursable expenses and services to be provided, and warnings of the notice requirements imposed under the act. The UAAA further required both athlete agents and student athletes to give notice of the contract to the athletic director of an affected educational institution within 72 hours of signing the agreement, or before the athlete’s next scheduled athletic event, whichever occurred first.

The UAAA also prohibited agents from providing materially false or misleading information, promises or representations, with the purpose of getting a student athlete to enter into an agency contract and prohibited providing anything of value to a student athlete or another person before that athlete enters into an agency contract. The UAAA provided that an athlete agent may not intentionally initiate contact with a student athlete unless registered, refuse or willfully fail to keep 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 in that sport, and imposed criminal penalties for violations of this prohibited conduct. The UAAA also provided educational institutions with a civil cause of action for damages resulting from a breach of specified duties.
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.

While retaining other portions of the UAAA, the RUAAA makes the following changes:

- “Athlete agent” is further defined to include an individual who, for compensation or the anticipation of compensation, serves the athlete in an advisory capacity on a matter related to finances, business pursuits, or career management decisions; or manages the business affairs of the athlete by providing assistance with bills, payments, contracts, or taxes, and an individual who gives 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.

- Two alternatives for athlete agent registration are provided. Alternative A includes a true reciprocal registration requirement in that if an individual is issued a certificate of registration by one state, the registration is in good standing and no disciplinary proceedings are pending against the registration, and the law in that state is the same or more restrictive as the law in another state, the other state would be required to register the individual. Alternative B would adopt an interstate compact when the act is enacted by at least five states. The compact would create the Commission on Interstate Regulation of Athlete Agents to provide a single registration site where an individual could register to act as an athlete agent in the states that are members of the compact.

- Additional requirements are added for the signing of an agency contract. The contract must now contain a statement that the athlete agent is registered in the state in which the contract is signed and list any other state in which the agent is registered. The contract must also be accompanied by a separate record signed by the student athlete acknowledging that signing the contract may result in the loss of eligibility to participate in the athlete’s sport.

- An agent is required to notify the educational institution at which a student athlete is enrolled before contacting a student athlete. A violation of this notice requirement is subject to civil penalties. The revised act also contains a provision that requires an athlete agent with a preexisting relationship with a student athlete who enrolls at an educational institution and receives an athletic scholarship to notify the institution of the relationship if the agent knows or should have known of the enrollment and the relationship was motivated by the intention of the agent to recruit or solicit the athlete to enter an agency contract or the agent actually recruited or solicited the student athlete to enter a contract.

- Criminal penalties are added for athlete agents who encourage another individual to take on behalf of the agent an action the agent is prohibited from taking. Student athletes are also given a right of action against an athlete agent in violation of the act.

For further information about the RUAAA, please contact Libby Snyder, Legislative Counsel at (312) 450-6619 or lsnyder@uniformlaws.org.