

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 403**

AN ACT *to amend* 440.05 (intro.); and *to create* 440.08 (2) (a) 14d. and subchapter XII of chapter 440 [precedes 440.99] of the statutes; **relating to:** regulating athlete agents, providing an exemption from emergency rule procedures, granting rule-making authority, making an appropriation, and providing penalties.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 440.05 (intro.) of the statutes is amended to read:
2 **440.05 Standard fees.** (intro.) The following standard fees apply to all initial
3 credentials, except as provided in ss. 440.42, 440.43, 440.44, 440.51, 440.9935,
4 444.03, 444.05, 444.11, 447.04 (2) (c) 2., 449.17, 449.18 and 459.46:

1 students, the athletic program for males or the athletic program for females, as
2 appropriate.

3 (4) “Contact” means a communication, direct or indirect, between an athlete
4 agent and a student athlete, to recruit or solicit the student athlete to enter into an
5 agency contract.

6 (5) “Endorsement contract” means an agreement under which a student
7 athlete is employed or receives consideration to use on behalf of the other party any
8 value that the student athlete may have because of publicity, reputation, following,
9 or fame obtained because of athletic ability or performance.

10 (6) “Intercollegiate sport” means a sport played at the collegiate level for which
11 eligibility requirements for participation by a student athlete are established by a
12 national association for the promotion or regulation of collegiate athletics.

13 (7) “Professional–sports–services contract” means an agreement under which
14 an individual is employed, or agrees to render services, as a player on a professional
15 sports team, with a professional sports organization, or as a professional athlete.

16 (8) “Record” means information that is inscribed on a tangible medium or that
17 is stored in an electronic or other medium and is retrievable in perceivable form.

18 (9) “Registration” means registration as an athlete agent under this
19 subchapter.

20 (10) “State” means a state of the United States, the District of Columbia, Puerto
21 Rico, the United States Virgin Islands, or any territory or insular possession subject
22 to the jurisdiction of the United States.

23 (11) “Student athlete” means an individual who engages in, is eligible to engage
24 in, or may be eligible in the future to engage in, any intercollegiate sport. If an

1 individual is permanently ineligible to participate in a particular intercollegiate
2 sport, the individual is not a student athlete for purposes of that sport.

3 **440.9905 Service of process.** By acting as an athlete agent in this state, a
4 nonresident individual appoints the secretary of state as the individual's agent for
5 service of process in any civil action in this state related to the individual's acting as
6 an athlete agent in this state.

7 **440.991 Athlete agents: registration required; void contracts. (1)**
8 Except as otherwise provided in sub. (2), an individual may not act as an athlete
9 agent in this state without holding a certificate of registration under s. 440.992 or
10 440.993.

11 **(2)** Before being issued a certificate of registration, an individual may act as
12 an athlete agent in this state for all purposes except signing an agency contract, if
13 all of the following are satisfied:

14 (a) A student athlete or another person acting on behalf of the student athlete
15 initiates communication with the individual.

16 (b) Within 7 days after an initial act as an athlete agent, such as an effort to
17 recruit or solicit a student athlete to enter into an agency contract, the individual
18 submits an application for registration as an athlete agent in this state.

19 **(3)** An agency contract resulting from conduct in violation of this section is void
20 and the athlete agent shall return any consideration received under the contract.

21 **440.9915 Registration as athlete agent; form; requirements. (1)** An
22 applicant for registration as an athlete agent shall submit an application for
23 registration to the department in a form prescribed by the department. The
24 application must be in the name of an individual and, except as otherwise provided

1 in sub. (2), signed or otherwise authenticated by the applicant under penalty of
2 perjury and state or contain all of the following:

3 (a) The name of the applicant and the address of the applicant's principal place
4 of business.

5 (b) The name of the applicant's business or employer, if applicable.

6 (c) Any business or occupation engaged in by the applicant for the 5 years next
7 preceding the date of submission of the application.

8 (d) A description of all of the following:

9 1. The applicant's formal training as an athlete agent.

10 2. The applicant's practical experience as an athlete agent.

11 3. The applicant's educational background relating to his or her activities as
12 an athlete agent.

13 (e) The name, sport, and last-known team for each individual for whom the
14 applicant acted as an athlete agent during the 5 years next preceding the date of
15 submission of the application.

16 (f) If the athlete agent's business is not a corporation, the names and addresses
17 of the partners, members, officers, managers, associates, or profit sharers of the
18 business.

19 (g) If the athlete agent is employed by a corporation, the names and addresses
20 of the officers and directors of the corporation and any shareholder of the corporation
21 having an interest of 5 percent or more.

22 (h) Whether the applicant or any person named pursuant to par. (f) or (g) has
23 been convicted of a crime that, if committed in this state, would be a felony, and a
24 description of the crime.

1 (i) Whether there has been any administrative or judicial determination that
2 the applicant or any person named pursuant to par. (f) or (g) has made a false,
3 misleading, deceptive, or fraudulent representation.

4 (j) Any instance in which the conduct of the applicant or any person named
5 pursuant to par. (f) or (g) resulted in the imposition of a sanction, suspension, or
6 declaration of ineligibility to participate in an interscholastic or intercollegiate
7 athletic event on a student athlete or educational institution.

8 (k) Any sanction, suspension, or disciplinary action taken against the applicant
9 or any person named pursuant to par. (f) or (g) arising out of occupational or
10 professional conduct.

11 (L) Whether there has been any denial of an application for, suspension or
12 revocation of, or refusal to renew, the registration or licensure of the applicant or any
13 person named pursuant to par. (f) or (g) as an athlete agent in any state.

14 **(2)** An individual who has submitted an application for, and holds a certificate
15 of, registration or licensure as an athlete agent in another state may submit a copy
16 of the application and certificate in lieu of submitting an application in the form
17 prescribed pursuant to sub. (1). The department shall accept the application and the
18 certificate from the other state as an application for registration in this state if all
19 of the following are satisfied:

20 (a) The application to the other state was submitted in the other state within
21 the 6 months next preceding the submission of the application in this state and the
22 applicant certifies that the information contained in the application to the other
23 state is current.

1 (b) The application to the other state contains information substantially
2 similar to or more comprehensive than that required in an application submitted in
3 this state.

4 (c) The application to the other state was signed by the applicant under penalty
5 of perjury.

6 **440.992 Certificate of registration; issuance or denial; renewal. (1)**

7 Except as otherwise provided in sub. (2), the department shall issue a certificate of
8 registration to an individual who complies with s. 440.9915 (1) or whose application
9 has been accepted under s. 440.9915 (2), if the individual has paid the fees specified
10 in s. 440.9935.

11 **(2)** The department may refuse to issue a certificate of registration if the
12 department determines that the applicant has engaged in conduct that has a
13 significant adverse effect on the applicant's fitness to act as an athlete agent. In
14 making the determination, the department may consider whether the applicant has
15 done any of the following:

16 (a) Subject to ss. 111.321, 111.322, and 111.335, been convicted of a crime that,
17 if committed in this state, would be a felony.

18 (b) Made a materially false, misleading, deceptive, or fraudulent
19 representation in the application or as an athlete agent.

20 (c) Engaged in unprofessional conduct or conduct that would disqualify the
21 applicant from serving in a fiduciary capacity.

22 (d) Engaged in conduct prohibited by s. 440.996.

23 (e) Had a registration or licensure as an athlete agent suspended, revoked, or
24 denied or been refused renewal of registration or licensure as an athlete agent in any
25 state.

1 (f) Engaged in conduct the consequence of which was that a sanction,
2 suspension, or declaration of ineligibility to participate in an interscholastic or
3 intercollegiate athletic event was imposed on a student athlete or educational
4 institution.

5 (g) Engaged in conduct that significantly adversely reflects on the applicant's
6 credibility, honesty, or integrity.

7 **(3)** In making a determination under sub. (2), the department shall consider
8 each of the following:

9 (a) How recently the conduct occurred.

10 (b) The nature of the conduct and the context in which it occurred.

11 (c) Any other relevant conduct of the applicant.

12 **(4)** An athlete agent may apply to renew a registration by submitting an
13 application for renewal in a form prescribed by the department. The application for
14 renewal must be signed by the applicant under penalty of perjury and must contain
15 current information on all matters required in an original registration. Applications
16 submitted under this subsection shall be open to inspection at all reasonable hours
17 authorized by representatives of the department.

18 **(5)** An individual who has submitted an application for renewal of registration
19 or licensure in another state, in lieu of submitting an application for renewal in the
20 form prescribed under sub. (4), may file a copy of the application for renewal and a
21 valid certificate of registration or licensure from the other state. The department
22 shall accept the application for renewal from the other state as an application for
23 renewal in this state if the application to the other state satisfies all of the following:

1 (a) The application was submitted in the other state within the 6 months next
2 preceding the filing in this state and the applicant certifies that the information
3 contained in the application for renewal is current.

4 (b) The application contains information substantially similar to or more
5 comprehensive than that required in an application for renewal submitted in this
6 state.

7 (c) The application was signed by the applicant under penalty of perjury.

8 **(6)** A certificate of registration or a renewal of a registration is valid for 2 years.

9 **440.9925 Suspension, revocation, or refusal to renew registration. (1)**

10 The department may suspend, revoke, or refuse to renew a registration for conduct
11 that would have justified denial of registration under s. 440.992 (2).

12 **(2)** The department may deny, suspend, revoke, or refuse to renew a certificate
13 of registration or licensure only after proper notice and an opportunity for a hearing.

14 **440.993 Temporary registration.** The department may issue a temporary
15 certificate of registration while an application for registration or renewal of
16 registration is pending. The department shall promulgate rules establishing
17 requirements and procedures for applying for and issuing temporary certificates of
18 registration.

19 **440.9935 Registration and renewal fees.** An application for registration
20 must be accompanied by a processing fee in an amount established in rules
21 promulgated by the department. If the department determines to issue a certificate
22 of registration to an applicant, the department shall require the applicant to pay a
23 fee for issuing the certificate in an amount established in rules promulgated by the
24 department. The renewal dates for certificates of registration issued under this
25 subchapter are specified in s. 440.08 (2) (a). Renewal applications shall be submitted

1 to the department on a form provided by the department and shall include a fee in
2 an amount established in rules promulgated by the department, except that for the
3 first renewal after a certificate of registration is issued, the department shall prorate
4 the fee based on the length of time between between issuance and renewal. The
5 amounts established in the rules promulgated under this section shall be based on
6 the department's administrative and enforcement costs attributable to processing
7 applications and regulating athlete agents.

8 **440.994 Required form of contract. (1)** An agency contract must be in a
9 record, signed or otherwise authenticated by the parties.

10 **(2)** An agency contract must state or contain all of the following:

11 (a) The amount and method of calculating the consideration to be paid by the
12 student athlete for services to be provided by the athlete agent under the contract
13 and any other consideration that the athlete agent has received or will receive from
14 any other source for entering into the contract or for providing the services.

15 (b) The name of any person not listed in the application for registration or
16 renewal of registration who will be compensated because the student athlete signed
17 the agency contract.

18 (c) A description of any expenses that the student athlete agrees to reimburse.

19 (d) A description of the services to be provided to the student athlete.

20 (e) The duration of the contract.

21 (f) The date of execution.

22 **(3)** An agency contract must contain, in close proximity to the signature of the
23 student athlete, a conspicuous notice in boldface type and capital letters stating the
24 following:

1 **(2)** Within 72 hours after entering into an agency contract or before the next
2 athletic event in which the student athlete may participate, whichever occurs first,
3 the student athlete shall inform the athletic director of the educational institution
4 at which the student athlete is enrolled that he or she has entered into an agency
5 contract.

6 **440.995 Student athlete’s right to cancel. (1)** A student athlete may cancel
7 an agency contract by giving notice of the cancellation to the athlete agent in a record
8 within 14 days after the contract is signed.

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

10 **(3)** If a student athlete cancels an agency contract, the student athlete is not
11 required to pay any consideration under the contract or to return any consideration
12 received from the athlete agent to induce the student athlete to enter into the
13 contract.

14 **440.9955 Required records. (1)** An athlete agent shall retain all of the
15 following records for a period of 5 years:

16 (a) The name and address of each individual represented by the athlete agent.

17 (b) Any agency contract entered into by the athlete agent.

18 (c) Any direct costs incurred by the athlete agent in the recruitment or
19 solicitation of a student athlete to enter into an agency contract.

20 **(2)** Records required by sub. (1) to be retained are open to inspection by the
21 department during normal business hours. Upon demand, an athlete agent shall
22 provide a copy of such a record to the department.

23 **440.996 Prohibited conduct. (1)** An athlete agent, with the intent to induce
24 a student athlete to enter into an agency contract, may not do any of the following:

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

3 (b) Furnish anything of value to a student athlete before the student athlete
4 enters into the agency contract.

5 (c) Furnish anything of value to any individual other than the student athlete
6 or another registered athlete agent.

7 **(2)** An athlete agent may not intentionally do any of the following:

8 (a) Initiate contact with a student athlete unless registered under this
9 subchapter.

10 (b) Refuse or fail to retain or permit inspection of the records required to be
11 retained by s. 440.9955.

12 (c) Fail to register when required by s. 440.991.

13 (d) Provide materially false or misleading information in an application for
14 registration or renewal of registration.

15 (f) Predate or postdate an agency contract.

16 (g) Fail to notify a student athlete before the student athlete signs or otherwise
17 authenticates an agency contract for a particular sport that the signing or
18 authentication may make the student athlete ineligible to participate as a student
19 athlete in that sport.

20 **440.9965 Criminal penalties.** An athlete agent who violates s. 440.996 may
21 be fined not more than \$10,000 or imprisoned for not more than 9 months or both.

22 **440.997 Civil remedies. (1)** An educational institution may bring an action
23 against an athlete agent for damages caused by a violation of this subchapter. In an
24 action under this subsection, the court may award to the prevailing party costs and,
25 notwithstanding s. 814.04, reasonable attorney fees.

1 **(2)** Damages of an educational institution under sub. (1) include losses and
2 expenses incurred because, as a result of the conduct of an athlete agent, the
3 educational institution was injured by a violation of this subchapter or was
4 penalized, disqualified, or suspended from participation in athletics by a national
5 association for the promotion and regulation of athletics, by an athletic conference,
6 or by reasonable self-imposed disciplinary action taken to mitigate sanctions likely
7 to be imposed by such an organization.

8 **(3)** A right of action under this section does not accrue until the educational
9 institution discovers or by the exercise of reasonable diligence would have discovered
10 the violation by the athlete agent.

11 **(5)** This subchapter does not restrict rights, remedies, or defenses of any person
12 under law or equity.

13 **440.9975 Administrative forfeiture.** The department may directly assess
14 a forfeiture against an athlete agent of not more than \$25,000 for a violation of this
15 subchapter.

16 **440.998 Uniformity of application and construction.** In applying and
17 construing this subchapter, consideration must be given to the need to promote
18 uniformity of the law with respect to its subject matter among the states that enact
19 the Uniform Athlete Agents Act.

20 **440.9985 Electronic Signatures in Global and National Commerce Act.**
21 The provisions of this subchapter governing the legal effect, validity, or
22 enforceability of electronic records or signatures, and of contracts formed or
23 performed with the use of such records or signatures conform to the requirements
24 of section 102 of the federal Electronic Signatures in Global and National Commerce

1 Act, 15 USC 7002, and supersede, modify, and limit the federal Electronic Signatures
2 in Global and National Commerce Act, 15 USC 7001 to 7031.

3 **440.999 Rules.** The department shall promulgate rules that define
4 unprofessional conduct for purposes of s. 440.992 (2) (c).

5 **SECTION 4. Nonstatutory provisions.**

6 (1) If an athlete agent, as defined in section 440.99 (2) of the statutes, as created
7 by this act, or student athlete, as defined in section 440.99 (11) of the statutes, as
8 created by this act, is subject to a contract that is in effect on the effective date of this
9 subsection and that contains provisions that are inconsistent with subchapter XII of
10 chapter 440 of the statutes, as created by this act, then, notwithstanding subchapter
11 XII of chapter 440 of the statutes, as created by this act, the athlete agent or student
12 athlete may perform his or her obligations, and exercise his or her rights, under that
13 contract until the contract expires, is extended, is modified, or is renewed, whichever
14 occurs first.

15 (2) The department of regulation and licensing may, using the procedure under
16 section 227.24 of the statutes, promulgate the rules under section 440.9935 of the
17 statutes, as created by this act, for the period before permanent rules become
18 effective, but not to exceed the period authorized under section 227.24 (1) (c) and (2)
19 of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes,
20 the department is not required to provide evidence that promulgating rules under
21 this subsection as emergency rules is necessary for the preservation of the public
22 peace, health, safety, or welfare and is not required to provide findings of emergency
23 for rules promulgated under this subsection.

24 (3) The department of regulation and licensing shall include, as part of its
25 2005–07 biennial budget request that it submits to the department of administration

1 under section 16.42 of the statutes, any recommended changes to the initial and
2 renewal fees for registration as an athlete agent that are necessary to reflect the
3 approximate administrative and enforcement costs of the department that are
4 attributable to the regulation of athlete agents and any proposed statutory changes
5 that are required to establish such changes to the fees by statute rather than by rule.

6 **SECTION 5. Appropriation changes.**

7 (1) POSITION AUTHORIZATION. In the schedule under section 20.005 (3) of the
8 statutes for the appropriation to the department of regulation and licensing under
9 section 20.165 (1) (g) of the statutes, as affected by the acts of 2003, the dollar amount
10 is increased by \$31,900 for fiscal year 2003–04 and the dollar amount is increased
11 by \$31,900 for fiscal year 2004–05 to increase the authorized FTE positions for the
12 department by 0.5 PR position to perform services related to the regulation of athlete
13 agents.

14 **SECTION 6. Initial applicability.**

15 (1) The treatment of section 440.9945 of the statutes first applies to contracts
16 entered into on the effective date of this subsection.

17 (2) The treatment of section 440.997 (2) of the statutes first applies to losses
18 or expenses incurred on the effective date of this subsection.

19 **SECTION 7. Effective date.**

20 (1) This act takes effect on the first day of the 7th month beginning after
21 publication.

22 (END)