



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2003 Wisconsin Act 150 [2003 Assembly Bill 403]	Licensing and Regulation of Sports Agents
2003 Acts: www.legis.state.wi.us/2003/data/acts/	Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

2003 Wisconsin Act 150 creates a licensing and regulatory scheme for sports agents in Wisconsin, with a specific focus on interaction with student athletes.

Licensing

Act 150 requires any person acting as an athlete agent to obtain a license from the Department of Regulation and Licensing (DRL). The Act defines an athlete agent as a person who solicits a student athlete to enter into an agreement to negotiate a professional sports or endorsement contract (“agency contract”), but excludes immediate relatives of the athlete and those acting solely on behalf of a professional sports team are not considered to be agents. Under the Act, “student athlete” includes not only those who compete in intercollegiate sports, but also those who are eligible, and even those who may *become* eligible to compete. A person without a license may act in an agent’s capacity only if the student athlete initiates communication, and the agent submits an application within seven days of the initial contact.

A license application (which is to be submitted with a fee to be determined by the department) must include the agent’s:

- Name.
- Address.
- Employment history for the past five years.
- Formal training.
- Practical experience.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents.

- Educational background.

A license will be awarded unless the agent has ever:

- Been convicted of a felony.
- Found to have made misleading or fraudulent representations.
- Engaged in conduct that resulted in the suspension or other sanction of a student athlete or school.
- Had a license denied or revoked in another state.

DRL then has the discretion to consider those factors in making its decision. Any of these criteria are also grounds for suspension or revocation after the license is awarded. An agent licensed in another state with similar requirements may submit a copy of that license and application in lieu of the Wisconsin application.

DRL is authorized to promulgate general procedural rules and substantive rules for unprofessional conduct, and to set a license fee to cover its costs in processing applications.

Regulation

Act 150 requires that valid contracts between student athletes and agents include all of the following:

- The amount paid to the agent, and the method of calculating that amount.
- Any other consideration given to the agent or any person other than the athlete.
- A description of the services provided to the athlete.
- The date of execution and duration of the contract.
- This warning in bold, capital letters:

WARNING TO STUDENT ATHLETE

IF YOU SIGN THIS CONTRACT:

- 1) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A STUDENT ATHLETE IN YOUR SPORT;**
- 2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 HOURS AFTER ENTERING INTO THIS CONTRACTOR (sic) OR BEFORE THE NEXT SCHEDULED ATHLETIC EVENT IN WHICH YOU MAY PARTICIPATE, WHICHEVER OCCURS FIRST, BOTH YOU AND YOUR ATHLETE AGENT MUST NOTIFY YOUR ATHLETIC DIRECTOR; AND**

3) YOU MAY CANCEL THIS CONTRACT WITHIN 14 DAYS AFTER SIGNING IT. CANCELLATION OF THIS CONTRACT MAY NOT REINSTATE YOUR ELIGIBILITY.

The student athlete cannot waive the right to cancel the contract, and is not required to pay any portion of a cancelled contract. Agents are also required to maintain detailed record keeping for the previous five years, and are prohibited from:

- Giving false or misleading information to a student athlete.
- Making a false promise or representation.
- Giving anything of value to student athletes (or anyone else) to induce them into an agency contract.
- Initiating contact with a student athlete without registering for an agent's license.
- Refusing to permit the department to inspect records.
- Predating or postdating an agency contract.
- Providing false or misleading information on a license application or renewal.

Failure to comply with any of the licensing or regulatory requirements could result in criminal penalties of up to \$10,000 in fines, imprisonment for up to nine months, or both, plus administrative penalties of up to \$25,000. The Act also allows a school to bring a lawsuit to sue an athlete agent to recover damages (such as sanction or suspension by the National Collegiate Athletic Association) that result from a violation of the statute.

Effective Date: The Act takes effect on July 1, 2004 and applies only to contracts entered into on or after that date.

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