
A BILL FOR AN ACT

RELATING TO ATHLETE AGENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The recruitment of a student athlete while the
2 student athlete is still enrolled in an educational institution
3 may cause substantial eligibility or other problems for the
4 student and the school, especially where the athlete is not
5 aware of the implications of signing the agency agreement or
6 where agency is established without notice to the athletic
7 director of the school. During the 2007 regular legislative
8 session, as part of an effort to counteract this problem, Hawaii
9 joined approximately forty other states by enacting the Uniform
10 Athlete Agents Act, codified as chapter 481E, Hawaii Revised
11 Statutes.

12 The Uniform Athlete Agents Act provides for the uniform
13 registration, certification, and a mandated criminal history
14 disclosure of sports agents seeking to represent student
15 athletes who are or may be eligible to participate in
16 intercollegiate sports, imposes specified contract terms on
17 these agreements to the benefit of student athletes, and



1 provides educational institutions with a right to notice along
2 with a civil cause of action for damages resulting from a breach
3 of specified duties. According to an article in the November 7,
4 2014, edition of the Wall Street Journal, some college officials
5 say that the Uniform Athlete Agents Act "has helped reduce
6 improper contact between agents and student athletes."

7 Since the enactment of chapter 481E, Hawaii Revised
8 Statutes, related problems have surfaced in another quarter,
9 namely, financial advisers. The Wall Street Journal article
10 also noted:

11 (1) Reports from college athletic officials that "brokers,
12 insurance agents, bankers and other types of financial
13 advisers often contact athletes who are promising pro
14 prospects";

15 (2) That some of the financial advisers who sought to
16 represent student athletes became the subjects of
17 industry disciplinary or criminal proceedings; and

18 (3) That "the double standard between financial advisers
19 and sports agents has long bothered some college
20 athletic officials, regulators and even players.

21 Agents were reined in [by the Uniform Athlete Agents



1 Act] . . . while leaving players as vulnerable as ever
2 to unscrupulous financial advisers."

3 The purpose of this Act is to repeal chapter 481E, Hawaii
4 Revised Statutes, and replace it with a new revised uniform
5 athlete agents act that applies to financial advisers under
6 certain circumstances, and makes the law more effective and
7 enforceable. More specifically as compared to chapter 481E,
8 Hawaii Revised Statutes, this Act:

- 9 (1) Expands the definition of "athlete agent" to include
10 individuals who provide certain financial and business
11 services to student athletes under certain
12 circumstances;
- 13 (2) Includes a true reciprocal registration requirement
14 under which registrations by an agent in one state
15 shall be recognized in another state, subject to
16 certain conditions;
- 17 (3) Requires agency contracts to:
- 18 (A) Contain a statement that the athlete agent is
19 registered in the state in which the contract is
20 signed and list any other state in which the
21 agent is registered; and



- 1 (B) Be accompanied by a separate record signed by the
2 student athlete acknowledging that signing the
3 contract may result in the loss of eligibility to
4 participate in the athlete's sport as a student
5 athlete;
- 6 (4) Provides civil penalties to athlete agents who fail to
7 notify the educational institution at which a student
8 athlete is enrolled before contacting a student
9 athlete;
- 10 (5) Requires an athlete agent who has a preexisting
11 relationship with a student athlete who receives an
12 athletic scholarship from the institution to notify
13 the institution if the agent has or intends to recruit
14 or solicit the student athlete to enter into an agency
15 contract;
- 16 (6) Adds criminal penalties for athlete agents who
17 encourage another individual to take on behalf of the
18 agent an action the agent is prohibited from taking;
19 and
- 20 (7) Gives student athletes a right of action against an
21 athlete agent who violates the act.



1 offers, promises, attempts, or negotiates to
2 obtain employment for a student athlete as a
3 professional athlete or member of a professional
4 sports team or organization;

5 (B) For compensation or in anticipation of
6 compensation related to a student athlete's
7 participation in athletics:

8 (i) Serves the athlete in an advisory capacity
9 on a matter related to finances, business
10 pursuits, or career management decisions,
11 unless the individual is an employee of an
12 educational institution acting exclusively
13 as an employee of the institution for the
14 benefit of the institution; or

15 (ii) Manages the business affairs of the athlete
16 by providing assistance with bills,
17 payments, contracts, or taxes; or

18 (C) In anticipation of representing a student athlete
19 for a purpose related to the athlete's
20 participation in athletics:



- 1 (i) Gives consideration to the student athlete
- 2 or another person;
- 3 (ii) Serves the athlete in an advisory capacity
- 4 on a matter related to finances, business
- 5 pursuits, or career management decisions; or
- 6 (iii) Manages the business affairs of the athlete
- 7 by providing assistance with bills,
- 8 payments, contracts, or taxes; and
- 9 (2) Does not include an individual who:
 - 10 (A) Acts solely on behalf of a professional sports
 - 11 team or organization; or
 - 12 (B) Is a licensed, registered, or certified
 - 13 professional and offers or provides services to a
 - 14 student athlete customarily provided by members
 - 15 of the profession, unless the individual:
 - 16 (i) Also recruits or solicits the athlete to
 - 17 enter into an agency contract;
 - 18 (ii) Also, for compensation, procures employment
 - 19 or offers, promises, attempts, or negotiates
 - 20 to obtain employment for the athlete as a



1 professional athlete or member of a
2 professional sports team or organization; or
3 (iii) Receives consideration for providing the
4 services calculated using a different method
5 than for an individual who is not a student
6 athlete.

7 "Athletic director" means the individual responsible for
8 administering the overall athletic program of an educational
9 institution or, if an educational institution has separately
10 administered athletic programs for male students and female
11 students, the athletic program for males or the athletic program
12 for females, as appropriate.

13 "Director" means the director of commerce and consumer
14 affairs.

15 "Educational institution" includes a public or private
16 elementary school, secondary school, technical or vocational
17 school, community college, college, and university.

18 "Endorsement contract" means an agreement under which a
19 student athlete is employed or receives consideration to use on
20 behalf of the other party any value that the athlete may have



1 because of publicity, reputation, following, or fame obtained
2 because of athletic ability or performance.

3 "Enrolled" or "enrolls" means registered for courses and
4 attending athletic practice or class.

5 "Intercollegiate sport" means a sport played at the
6 collegiate level for which eligibility requirements for
7 participation by a student athlete are established by a national
8 association that promotes or regulates collegiate athletics.

9 "Interscholastic sport" means a sport played between
10 educational institutions that are not community colleges,
11 colleges, or universities.

12 "Licensed, registered, or certified professional" means an
13 individual licensed, registered, or certified as an attorney,
14 dealer in securities, financial planner, insurance producer,
15 real estate broker or salesperson, tax consultant, accountant,
16 or member of a profession, other than that of athlete agent, who
17 is licensed, registered, or certified by the State or a
18 nationally recognized organization that licenses, registers, or
19 certifies members of the profession on the basis of experience,
20 education, or testing.



1 "Person" means an individual, estate, business or nonprofit
2 entity, public corporation, government or governmental
3 subdivision, agency, or instrumentality, or other legal entity.

4 "Professional-sports-services contract" means an agreement
5 under which an individual is employed as a professional athlete
6 or agrees to render services as a player on a professional
7 sports team or with a professional sports organization.

8 "Record" means information that is inscribed on a tangible
9 medium or that is stored in an electronic or other medium and is
10 retrievable in perceivable form.

11 "Recruit or solicit" means to attempt to influence the
12 choosing of an athlete agent by a student athlete or, if the
13 athlete is a minor, a parent or guardian of the athlete. The
14 term does not include giving advice on the selection of a
15 particular agent in a family, coaching, or social situation
16 unless the individual giving the advice does so because of the
17 receipt or anticipated receipt of an economic benefit, directly
18 or indirectly, from the agent.

19 "Registration" means registration as an athlete agent under
20 this chapter.



1 "Sign" means, with present intent to authenticate or adopt
2 a record:

3 (1) To execute or adopt a tangible symbol; or

4 (2) To attach to or logically associate with the record an
5 electronic symbol, sound, or process.

6 "State" means a state of the United States, the District of
7 Columbia, Puerto Rico, the United States Virgin Islands, or any
8 territory or insular possession subject to the jurisdiction of
9 the United States.

10 "Student athlete" means an individual who is eligible to
11 attend an educational institution and engages in, is eligible to
12 engage in, or may be eligible in the future to engage in, any
13 interscholastic or intercollegiate sport. The term does not
14 include an individual permanently ineligible to participate in a
15 particular interscholastic or intercollegiate sport for that
16 sport.

17 § -3 Director; powers and duties; authority; procedure.

18 (a) In addition to any other powers and duties authorized by
19 law, the director shall have the powers and duties to:



- 1 (1) Grant, deny, renew, refuse to renew, restore,
2 terminate, reinstate, condition, restrict, suspend, or
3 revoke a registration issued pursuant to this chapter;
- 4 (2) Adopt, amend, or repeal rules pursuant to chapter 91
5 as the director finds necessary to carry out this
6 chapter;
- 7 (3) Administer, coordinate, and enforce this chapter;
- 8 (4) Discipline a registered athlete agent on grounds
9 specified by this chapter or chapter 436B or for any
10 violation of rules adopted by the director pursuant to
11 this chapter; and
- 12 (5) Refuse to register a person for failure to meet the
13 registration requirements in this chapter or for any
14 reason specified by this chapter as grounds to
15 discipline an athlete agent.
- 16 (b) By acting as an athlete agent in this State, a
17 nonresident individual appoints the director as the individual's
18 agent for service of process in any civil action in this State
19 related to the individual acting as an athlete agent in this
20 State.



1 (c) The director may issue a subpoena for material that is
2 relevant to the administration of this chapter.

3 § -4 Athlete agent; registration required; void
4 contract. (a) Except as otherwise provided in subsection (b),
5 an individual may not act as an athlete agent in this State
6 without holding a certificate of registration under this
7 chapter.

8 (b) Before being issued a certificate of registration
9 under this chapter, an individual may act as an athlete agent in
10 this State for all purposes except signing an agency contract,
11 if:

12 (1) A student athlete or another person acting on behalf
13 of the athlete initiates communication with the
14 individual; and

15 (2) Not later than seven days after an initial act that
16 requires the individual to register as an athlete
17 agent, the individual submits an application for
18 registration as an athlete agent in this State.

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



1 § -5 Registration as athlete agent; application;
2 requirements; reciprocal registration. (a) An applicant for
3 registration as an athlete agent shall submit an application for
4 registration to the director in a form prescribed by the
5 director. The applicant shall be an individual, and the
6 application shall be signed by the applicant under penalty of
7 perjury or unsworn falsification to authorities, as applicable.
8 The application shall contain at least the following:

9 (1) The name and date and place of birth of the applicant
10 and the following contact information for the
11 applicant:

12 (A) The address of the applicant's principal place of
13 business;

14 (B) Work and mobile telephone numbers; and

15 (C) Any means of communicating electronically,
16 including a facsimile number, electronic mail
17 address, and personal and business or employer
18 websites;

19 (2) The name of the applicant's business or employer, if
20 applicable, including for each business or employer,



- 1 its mailing address, telephone number, organization
2 form, and the nature of the business;
- 3 (3) Each social media account with which the applicant or
4 the applicant's business or employer is affiliated;
- 5 (4) Each business or occupation in which the applicant
6 engaged within five years before the date of the
7 application, including self-employment and employment
8 by others, and any professional or occupational
9 license, registration, or certification held by the
10 applicant during that time;
- 11 (5) A description of the applicant's:
- 12 (A) Formal training as an athlete agent;
- 13 (B) Practical experience as an athlete agent; and
- 14 (C) Educational background relating to the
15 applicant's activities as an athlete agent;
- 16 (6) The name of each student athlete for whom the
17 applicant acted as an athlete agent within five years
18 before the date of the application or, if the athlete
19 is a minor, the name of the parent or guardian of the
20 minor, together with the athlete's sport and last-
21 known team;



- 1 (7) The name and address of each person that:
- 2 (A) Is a partner, member, officer, manager,
- 3 associate, or profit sharer or directly or
- 4 indirectly holds an equity interest of five per
- 5 cent or greater of the athlete agent's business
- 6 if it is not a corporation; and
- 7 (B) Is an officer or director of a corporation
- 8 employing the athlete agent or a shareholder
- 9 having an interest of five per cent or greater in
- 10 the corporation;
- 11 (8) A description of the status of any application by the
- 12 applicant, or any person named under paragraph (7),
- 13 for a state or federal business, professional, or
- 14 occupational license, other than as an athlete agent,
- 15 from a state or federal agency, including any denial,
- 16 refusal to renew, suspension, withdrawal, or
- 17 termination of the license and any reprimand or
- 18 censure related to the license;
- 19 (9) Whether the applicant, or any person named under
- 20 paragraph (7), has pleaded guilty or no contest to,
- 21 has been convicted of, or has charges pending for, a



1 crime that would involve moral turpitude or be a
2 felony if committed in this State and, if so,
3 identification of:

4 (A) The crime;

5 (B) The law-enforcement agency involved; and

6 (C) If applicable, the date of the conviction and the
7 fine or penalty imposed;

8 (10) Whether, within fifteen years before the date of
9 application, the applicant, or any person named under
10 paragraph (7), has been a defendant or respondent in a
11 civil proceeding, including a proceeding seeking an
12 adjudication of incapacity and, if so, the date and a
13 full explanation of each proceeding;

14 (11) Whether the applicant, or any person named under
15 paragraph (7), has an unsatisfied judgment or a
16 judgment of continuing effect, including support and
17 maintenance or a domestic order in the nature of child
18 support, which is not current at the date of the
19 application;

20 (12) Whether, within ten years before the date of
21 application, the applicant, or any person named under



- 1 paragraph (7), was adjudicated bankrupt or was an
2 owner of a business that was adjudicated bankrupt;
- 3 (13) Whether there has been any administrative or judicial
4 determination that the applicant, or any person named
5 under paragraph (7), made a false, misleading,
6 deceptive, or fraudulent representation;
- 7 (14) Each instance in which conduct of the applicant, or
8 any person named under paragraph (7), resulted in the
9 imposition of a sanction, suspension, or declaration
10 of ineligibility to participate in an interscholastic,
11 intercollegiate, or professional athletic event on a
12 student athlete or a sanction on an educational
13 institution;
- 14 (15) Each sanction, suspension, or disciplinary action
15 taken against the applicant, or any person named under
16 paragraph (7), arising out of occupational or
17 professional conduct;
- 18 (16) Whether there has been a denial of an application for,
19 suspension or revocation of, refusal to renew, or
20 abandonment of, the registration of the applicant, or



1 any person named under paragraph (7), as an athlete
2 agent in any state;

3 (17) Each state in which the applicant currently is
4 registered as an athlete agent or has applied to be
5 registered as an athlete agent;

6 (18) If the applicant is certified or registered by a
7 professional league or players association:

8 (A) The name of the league or association;

9 (B) The date of certification or registration, and
10 the date of expiration of the certification or
11 registration, if any; and

12 (C) If applicable, the date of any denial of an
13 application for, suspension or revocation of,
14 refusal to renew, withdrawal of, or termination
15 of, the certification or registration or any
16 reprimand or censure related to the certification
17 or registration; and

18 (19) Any additional information required by the director.

19 (b) Instead of submitting an athlete agent application for
20 registration pursuant to subsection (a), an individual
21 registered as an athlete agent in another state that has adopted



1 the Revised Uniform Athlete Agents Act may apply for
2 registration as an athlete agent in this State by submitting to
3 the director:

4 (1) A copy of the application for registration in the
5 other state;

6 (2) A statement that identifies any material change in the
7 information on the application or verifies there is no
8 material change in the information, signed under
9 penalty of unsworn falsification to authorities; and

10 (3) A copy of the certificate of registration from the
11 other state.

12 (c) The director shall issue a certificate of registration
13 to an individual who applies for registration under subsection

14 (b) if the director determines:

15 (1) The application and registration requirements of the
16 other state are substantially similar to or more
17 restrictive than this chapter; and

18 (2) The registration has not been revoked or suspended and
19 no action involving the individual's conduct as an
20 athlete agent is pending against the individual or the
21 individual's registration in any state.



1 (d) For purposes of implementing subsection (c), the
2 director shall:

3 (1) Cooperate with national organizations concerned with
4 athlete agent issues and agencies in other states that
5 register athlete agents to develop a common
6 registration form and determine which states have laws
7 that are substantially similar to or more restrictive
8 than this chapter; and

9 (2) Exchange information, including information related to
10 actions taken against registered athlete agents or
11 their registrations, with those organizations and
12 agencies.

13 **§ -6 Certificate of registration; issuance or denial;**
14 **renewal.** (a) Except as otherwise provided in subsection (b),
15 the director shall issue a certificate of registration to an
16 applicant for registration who complies with section -5(a).

17 (b) The director may refuse to issue a certificate of
18 registration to an applicant for registration under section
19 -5(a) if the director determines that the applicant has
20 engaged in conduct that significantly adversely reflects on the
21 applicant's fitness to act as an athlete agent. In making the



1 determination, the director may consider whether the applicant
2 has:

3 (1) Pleaded guilty or no contest to, has been convicted
4 of, or has charges pending for, a crime that would
5 involve moral turpitude or be a felony if committed in
6 this State;

7 (2) Made a materially false, misleading, deceptive, or
8 fraudulent representation in the application or as an
9 athlete agent;

10 (3) Engaged in conduct that would disqualify the applicant
11 from serving in a fiduciary capacity;

12 (4) Engaged in conduct prohibited by section -14;

13 (5) Had a registration as an athlete agent suspended,
14 revoked, or denied in any state;

15 (6) Been refused renewal of registration as an athlete
16 agent in any state;

17 (7) Engaged in conduct resulting in imposition of a
18 sanction, suspension, or declaration of ineligibility
19 to participate in an interscholastic, intercollegiate,
20 or professional athletic event on a student athlete or
21 a sanction on an educational institution; or



1 (8) Engaged in conduct that adversely reflects on the
2 applicant's credibility, honesty, or integrity.

3 (c) In making a determination under subsection (b), the
4 director shall consider:

5 (1) How recently the conduct occurred;

6 (2) The nature of the conduct and the context in which it
7 occurred; and

8 (3) Other relevant conduct of the applicant.

9 (d) An athlete agent registered under subsection (a) may
10 apply to renew the registration by submitting an application for
11 renewal in a form prescribed by the director. The applicant
12 shall sign the application for renewal under penalty of unsworn
13 falsification to authorities and include current information on
14 all matters required in an original application for
15 registration.

16 (e) An athlete agent registered under section -5(c) may
17 renew the registration by proceeding under subsection (d) or, if
18 the registration in the other state has been renewed, by
19 submitting to the director copies of the application for renewal
20 in the other state and the renewed registration from the other



1 state. The director shall renew the registration if the
2 director determines:

3 (1) The registration requirements of the other state are
4 substantially similar to or more restrictive than this
5 chapter; and

6 (2) The renewed registration has not been suspended or
7 revoked and no action involving the individual's
8 conduct as an athlete agent is pending against the
9 individual or the individual's registration in any
10 state.

11 (f) A certificate of registration or renewal of
12 registration under this chapter shall be valid for two years and
13 shall be renewed by June 30 of every even-numbered year, upon
14 the payment of a renewal fee within sixty days before the
15 expiration of the registration. Registrations that have been
16 forfeited may be restored within one year of the forfeiture date
17 upon payment of renewal and restoration fees. Failure to
18 restore a forfeited registration within one year shall result in
19 the automatic termination of the registration. A person whose
20 registration has been terminated pursuant to this section shall



1 be required to reapply for a new registration as a new
2 applicant.

3 § -7 Limitation, suspension, revocation, or refusal to
4 renew registration. (a) The director may limit, suspend,
5 revoke, or refuse to renew a registration of an individual
6 registered under section -6(a) for conduct that would have
7 justified refusal to issue a certificate of registration under
8 section -6(b).

9 (b) The director may suspend or revoke the registration of
10 an individual registered under section -5(c) or renewed under
11 section -6(e) for any reason for which the director could
12 have refused to grant or renew registration or for conduct that
13 would justify refusal to issue a certificate of registration
14 under section -6(b).

15 (c) The director may deny, suspend, revoke, or refuse to
16 renew a certificate of registration after proper notice and an
17 opportunity for a hearing pursuant to chapter 91.

18 § -8 Temporary registration. The director may issue a
19 temporary certificate of registration as an athlete agent while
20 an application for registration or renewal of registration is
21 pending.



1 § -9 **Registration and renewal fees.** No applicant or
2 registrant shall be issued a certificate of registration unless
3 the appropriate fees have been paid. Unless otherwise provided
4 by law, the director shall establish the amount of all fees and
5 expenses by rules adopted pursuant to chapter 91, and the fees
6 shall be deposited with the director to the credit of the
7 compliance resolution fund established pursuant to section
8 26-9(o).

9 § -10 **Required form of agency contract.** (a) An agency
10 contract shall be in a record signed by the parties.

11 (b) An agency contract shall contain:

12 (1) A statement that the athlete agent is registered as an
13 athlete agent in this State and a list of any other
14 states in which the agent is registered as an athlete
15 agent;

16 (2) The amount and method of calculating the consideration
17 to be paid by the student athlete for services to be
18 provided by the agent under the contract and any other
19 consideration the agent has received or will receive
20 from any other source for entering into the contract
21 or providing the services;



- 1 (3) The name of any person not listed in the agent's
- 2 application for registration or renewal of
- 3 registration that will be compensated because the
- 4 athlete signed the contract;
- 5 (4) A description of any expenses the athlete agrees to
- 6 reimburse;
- 7 (5) A description of the services to be provided to the
- 8 athlete;
- 9 (6) The duration of the contract; and
- 10 (7) The date of execution.

11 (c) Subject to subsection (g), an agency contract shall
12 contain a conspicuous notice in boldface type and in
13 substantially the following form:

14 "WARNING TO STUDENT ATHLETE

15 IF YOU SIGN THIS CONTRACT:

- 16 (1) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A STUDENT
- 17 ATHLETE IN YOUR SPORT;
- 18 (2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN SEVENTY-TWO
- 19 HOURS AFTER SIGNING THIS CONTRACT OR BEFORE THE NEXT
- 20 SCHEDULED ATHLETIC EVENT IN WHICH YOU PARTICIPATE,
- 21 WHICHEVER OCCURS FIRST, BOTH YOU AND YOUR ATHLETE



1 AGENT MUST NOTIFY YOUR ATHLETIC DIRECTOR THAT YOU HAVE
2 ENTERED INTO THIS CONTRACT AND PROVIDE THE NAME AND
3 CONTACT INFORMATION OF THE ATHLETE AGENT; AND

4 (3) YOU MAY CANCEL THIS CONTRACT WITHIN FOURTEEN DAYS
5 AFTER SIGNING IT. CANCELLATION OF THIS CONTRACT MAY
6 NOT REINSTATE YOUR ELIGIBILITY AS A STUDENT ATHLETE IN
7 YOUR SPORT."

8 (d) An agency contract shall be accompanied by a separate
9 record signed by the student athlete or, if the athlete is a
10 minor, the parent or guardian of the athlete acknowledging that
11 signing the contract may result in the loss of the athlete's
12 eligibility to participate in the athlete's sport.

13 (e) A student athlete or, if the athlete is a minor, the
14 parent or guardian of the athlete may void an agency contract
15 that does not conform to this section. If the contract is
16 voided, any consideration received from the athlete agent under
17 the contract to induce entering into the contract is not
18 required to be returned.

19 (f) At the time an agency contract is executed, the
20 athlete agent shall give the student athlete or, if the athlete
21 is a minor, the parent or guardian of the athlete a copy in a



1 record of the contract and the separate acknowledgment required
2 by subsection (d).

3 (g) If a student athlete is a minor, an agency contract
4 shall be signed by the parent or guardian of the minor and the
5 notice required by subsection (c) shall be revised accordingly.

6 § -11 Notice to educational institution. (a) As used
7 in this section, "communication or attempt to communicate" means
8 contacting or attempting to contact by an in-person meeting, a
9 record, or any other method that conveys or attempts to convey a
10 message.

11 (b) Not later than seventy-two hours after entering into
12 an agency contract or before the next scheduled athletic event
13 in which the student athlete may participate, whichever occurs
14 first, the athlete agent shall give notice in a record of the
15 existence of the contract to the athletic director of the
16 educational institution at which the athlete is enrolled or at
17 which the agent has reasonable grounds to believe the athlete
18 intends to enroll.

19 (c) Not later than seventy-two hours after entering into
20 an agency contract or before the next scheduled athletic event
21 in which the student athlete may participate, whichever occurs



1 first, the athlete shall inform the athletic director of the
2 educational institution at which the athlete is enrolled that
3 the athlete has entered into an agency contract and the name and
4 contact information of the athlete agent.

5 (d) If an athlete agent enters into an agency contract
6 with a student athlete and the athlete subsequently enrolls at
7 an educational institution, the agent shall notify the athletic
8 director of the institution of the existence of the contract not
9 later than seventy-two hours after the agent knew or should have
10 known the athlete enrolled.

11 (e) If an athlete agent has a relationship with a student
12 athlete before the athlete enrolls in an educational institution
13 and receives an athletic scholarship from the institution, the
14 agent shall notify the institution of the relationship not later
15 than ten days after the enrollment if the agent knows or should
16 have known of the enrollment and:

17 (1) The relationship was motivated in whole or part by the
18 intention of the agent to recruit or solicit the
19 athlete to enter an agency contract in the future; or



1 (2) The agent directly or indirectly recruited or
2 solicited the athlete to enter an agency contract
3 before the enrollment.

4 (f) An athlete agent shall give notice in a record to the
5 athletic director of any educational institution at which a
6 student athlete is enrolled before the agent communicates or
7 attempts to communicate with:

8 (1) The athlete or, if the athlete is a minor, a parent or
9 guardian of the athlete, to influence the athlete or
10 parent or guardian to enter into an agency contract;
11 or

12 (2) Another individual to have that individual influence
13 the athlete or, if the athlete is a minor, the parent
14 or guardian of the athlete to enter into an agency
15 contract.

16 (g) If a communication or attempt to communicate with an
17 athlete agent is initiated by a student athlete or another
18 individual on behalf of the athlete, the agent shall notify in a
19 record the athletic director of any educational institution at
20 which the athlete is enrolled. The notification shall be made



1 not later than ten days after the communication or attempt to
2 communicate.

3 (h) An educational institution that becomes aware of a
4 violation of this chapter by an athlete agent shall notify the
5 director and any professional league or players association with
6 which the institution is aware the agent is licensed or
7 registered of the violation.

8 § -12 Student athlete's right to cancel. (a) A student
9 athlete or, if the athlete is a minor, the parent or guardian of
10 the athlete may cancel an agency contract by giving notice in a
11 record of cancellation to the athlete agent not later than
12 fourteen days after the contract is signed.

13 (b) A student athlete or, if the athlete is a minor, the
14 parent or guardian of the student athlete may not waive the
15 right to cancel an agency contract.

16 (c) If a student athlete, parent, or guardian cancels an
17 agency contract, the athlete, parent, or guardian is not
18 required to pay any consideration under the contract or return
19 any consideration received from the athlete agent to influence
20 the athlete to enter into the contract.



1 § -13 **Required records.** (a) An athlete agent shall
2 create and retain, for five years, records of the following:

- 3 (1) The name and address of each individual represented by
4 the agent;
- 5 (2) Each agency contract entered into by the agent; and
- 6 (3) The direct costs incurred by the agent in the
7 recruitment or solicitation of each student athlete to
8 enter into an agency contract.

9 (b) Records described in subsection (a) shall be open to
10 inspection by the director during normal business hours.

11 § -14 **Prohibited conduct.** (a) An athlete agent, with
12 the intent to influence a student athlete or, if the athlete is
13 a minor, a parent or guardian of the athlete to enter into an
14 agency contract, shall not take any of the following actions or
15 encourage any other individual to take or assist any other
16 individual in taking any of the following actions on behalf of
17 the agent:

- 18 (1) Give materially false or misleading information or
19 make a materially false promise or representation;
- 20 (2) Furnish anything of value to the athlete before the
21 athlete enters into the contract; or



1 (3) Furnish anything of value to an individual other than
2 the athlete or another registered athlete agent.

3 (b) An athlete agent shall not intentionally do any of the
4 following or encourage any other individual to do any of the
5 following on behalf of the agent:

6 (1) Initiate contact, directly or indirectly, with a
7 student athlete or, if the athlete is a minor, a
8 parent or guardian of the athlete, to recruit or
9 solicit the athlete, parent, or guardian to enter an
10 agency contract unless registered under this chapter;

11 (2) Fail to create, retain, or permit inspection of the
12 records required by section -13;

13 (3) Fail to register when required by section -4;

14 (4) Provide materially false or misleading information in
15 an application for registration or renewal of
16 registration;

17 (5) Predate or postdate an agency contract; or

18 (6) Fail to notify a student athlete or, if the athlete is
19 a minor, a parent or guardian of the athlete, before
20 the athlete, parent, or guardian signs an agency
21 contract for a particular sport that the signing may



1 make the athlete ineligible to participate as a
2 student athlete in that sport.

3 § -15 **Criminal penalty.** An athlete agent who violates
4 section -14 shall be guilty of a misdemeanor.

5 § -16 **Civil remedy.** (a) An educational institution or
6 student athlete may bring an action for damages against an
7 athlete agent if the institution or athlete is adversely
8 affected by an act or omission of the agent in violation of this
9 chapter. An educational institution or student athlete is
10 adversely affected by an act or omission of the agent only if,
11 because of the act or omission, the institution or an individual
12 who was a student athlete at the time of the act or omission and
13 enrolled in the institution:

14 (1) Is suspended or disqualified from participation in an
15 interscholastic or intercollegiate sports event by or
16 under the rules of a state or national federation or
17 association that promotes or regulates interscholastic
18 or intercollegiate sports; or

19 (2) Suffers financial damage.

20 (b) A plaintiff that prevails in an action under this
21 section may recover treble damages, punitive damages, costs, and



1 reasonable attorney's fees. An athlete agent found liable under
2 this section forfeits any right of payment for anything of
3 benefit or value provided to the student athlete and shall
4 refund any consideration paid to the agent by or on behalf of
5 the athlete.

6 (c) A violation of this chapter by the athlete agent shall
7 be an unfair or deceptive act or practice for purposes of
8 section 480-2.

9 § -17 Civil penalty. The director may assess a civil
10 penalty against an athlete agent not to exceed \$50,000 for a
11 violation of this chapter. Fines shall be deposited with the
12 director to the credit of the compliance resolution fund
13 pursuant to section 26-9(o). Unless otherwise expressly
14 provided, the remedies or penalties provided by this chapter are
15 cumulative to each other and to the remedies or penalties
16 available under all other laws of this State.

17 § -18 Relation to Electronic Signatures in Global and
18 National Commerce Act. This chapter modifies, limits, or
19 supersedes the Electronic Signatures in Global and National
20 Commerce Act (15 U.S.C. §7001 et seq.), but does not modify,
21 limit, or supersede section 101(c) of that act (15 U.S.C.



1 §7001(c)) or authorize electronic delivery of any of the notices
2 described in section 103 (b) of that act (15 U.S.C. §7003(b))."

3 SECTION 3. Chapter 481E, Hawaii Revised Statutes, is
4 repealed.

5 SECTION 4. This Act shall take effect on July 1, 2018.



Report Title:

Athlete Agents; Revised Uniform Athlete Agents Act; Student Athletes; Regulation

Description:

Adopts the Revised Uniform Athlete Agents Act (2015), which: expands the definition of "athlete agent", who shall register with the director of commerce and consumer affairs, to include individuals who, for compensation or the anticipation of compensation, serve a student athlete as a financial advisor or business manager; requires reciprocity for athlete agents who are registered in more than one state; strengthens requirements for athlete agent contracts; and strengthens requirements under which athlete agents shall notify the educational institution at which a student athlete is enrolled. Effective 07/01/2018.
(SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

