

Act 544 of the 1989 Regular Session.

Act 544

HB1714

By: Representative Ramsey

"AN ACT TO PROVIDE FOR THE REGISTRATION OF ATHLETE AGENTS;
AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Definitions. In this Act:

(1) "Person" means an individual, company, corporation, association, partnership, or other legal entity.

(2) "Athlete agent" means a person that, for compensation, directly or indirectly recruits or solicits an athlete to enter into an agent contract or professional sport services contract with that person or that for a fee procures, offers, promises, or attempts to obtain employment for an athlete with a professional sports team; provided however, that athlete agent does not include any employee or other representative of a professional sports team and does not include any person licensed by the Supreme Court of Arkansas to practice law in the State of Arkansas.

(3) "Agent contract" means any contract or agreement under which an athlete authorizes an athlete agent to negotiate or solicit on behalf of the athlete with one or more professional sports teams.

(4) "Athlete" means an individual who resides or is located in this State and who desires to enter into a professional sport services contract.

(5) For purposes of this Act, execution by an athlete of a personal service contract with the owner or prospective owner of a professional sports team for the purpose of future athletic services is equivalent to employment with a professional sports team.

(6) A professional sport services contract means any contract or agreement pursuant to which a person is employed or agrees to perform services as a player on a professional sports team or as a professional athlete.

SECTION 2. Registration requirements; renewal. (a) An athlete agent must register with the Secretary of State before the athlete agent may contact an athlete, either directly or indirectly, while the athlete resides or is located in this State.

(b) An applicant for registration as an athlete agent must submit a written application for registration to the Secretary of State on a form prescribed by the Secretary of State. An applicant for registration must pay a one hundred dollar (\$100.00) application and license fee at the time the application is submitted. The applicant must provide the following:

(1) the name of the applicant and the address of the applicant's principal place of business;

(2) the business or occupation engaged in by the applicant for the five years immediately preceding the date of application;

(3) a description of the applicant's formal training, practical experience, and educational background relating to the applicant's professional activities as an athlete agent;

(4) the names and addresses of five professional references; and

(5) the names and addresses of all persons, except bona fide employees on stated salaries, that are financially interested as partners, associates, or profit sharers in the operation of the business of the athlete

agent.

(c) If the applicant is a corporation, the information required by Subsection (b) of this section must be provided by each officer of the corporation. If the applicant is an association or partnership, the information must be provided by each associate or partner.

(d) A certificate of registration issued under this act is valid for one year from the date of issuance.

(e) A registered athlete agent may renew the registration by filing a renewal application in the form prescribed by the Secretary of State, accompanied by a one hundred dollar (\$100.00) renewal fee. The renewal application must include the information prescribed by the Secretary of State, which shall include;

(1) the names and addresses of all athletes for whom the athlete agent is providing professional services for compensation at the time of the renewal; and

(2) the names and addresses of all athletes not currently represented by the athlete agent for whom the athlete agent has performed professional services for compensation during the three years preceding the date of the application.

(f) When an application for registration or renewal is made and the registration process has not been completed, the Secretary of State may issue a temporary or provisional registration certificate that is valid for no more than ninety (90) days.

(g) Before the issuance or renewal of a certificate of registration, an athlete agent that provides agent contract services with an athlete must deposit with the Secretary of State either (a) surety bond in the sum of One Hundred Thousand Dollars (\$100,000) or (b) a fully collateralized corporate bond, in the sum of One Hundred Thousand Dollars (\$100,000), payable to the State and conditioned that the person applying for the registration will comply with this Act, will pay all amounts due any individual or group of individuals when the person or the person's representative or agent has received those amounts, and will pay all damages caused to any athlete by reason of the intentional misrepresentation, fraud, deceit, or any unlawful or negligent act or omission by the registered athlete agent or the agent's representative or employee. The athlete agent shall maintain the bond until two years after the date on which the athlete agent ceases to engage in the provision of financial services for an athlete. This subsection does not limit the recovery of damages to the amount of the surety bond.

(h) If an athlete agent that has entered into an agent's contract with an athlete fails to file a new bond with the Secretary of State not later than the 30th day after date of receipt of a notice of cancellation issued by the surety of the bond, the Secretary of State shall suspend the certificate of registration issued to that athlete agent under the bond until the athlete agent files a new surety bond with the Secretary of State.

SECTION 3. Disposition of fees. Fees and other funds received under this Act by the Secretary of State shall be deposited in the State Treasury to the credit of the General Revenue Fund.

SECTION 4. Remedies for violation. (a) Any athlete agent who violates Section (a) of Section 2 of this Act may be subject to:

(1) forfeiture of any right of repayment for anything of value either received by an athlete as an inducement to enter into any agent contract received by an athlete before completion of the athlete's last intercollegiate contest;

(2) a refund of any consideration paid to the athlete agent on an athlete's behalf; and

(b) Any agent contract that is negotiated by an athlete agent who has failed to comply with this Act is void.

SECTION 5. Rules. The secretary of State may adopt rules necessary to carry out this Act in accordance with the Arkansas Administrative Procedure Act.

SECTION 6. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 7. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 8. Emergency. It is hereby found and determined by the General Assembly that athlete agents who conduct business in this State should be registered with the State of Arkansas; that such agents are not now required to be registered; that such registration requirement should go into effect at the beginning of the next fiscal year; and that unless this emergency clause is adopted this Act might not go into effect until after the beginning of the next fiscal year. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1989.

APPROVED: March 14, 1989
