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H. J. 2432 substituted 3/24

SENATE FILE **2191**  
BY COMMITTEE ON EDUCATION

*(formerly 55B 2178)*  
*Approved (p. 453)*

Passed Senate, Date \_\_\_\_\_

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to student athletes, by regulating athletes and  
2 athletes' agents, requiring a compensation policy for  
3 collegiate athletes, and providing penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SF 2191

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S-5500 amends all

1 Section 1. NEW SECTION. 9A.1 TITLE.

2 This chapter shall be known as the "Athletes' Agents  
3 Registration Act".

4 Sec. 2. NEW SECTION. 9A.2 LEGISLATIVE FINDINGS.

5 The general assembly declares that this state has an  
6 interest in regulating persons who seek to represent athletes  
7 attending institutions of higher education in this state in  
8 obtaining employment with professional sports teams.  
9 Regulation of athletes' agents is necessary to protect the  
10 interest of the athletes, the athletic programs of  
11 institutions of higher education in this state, and the  
12 public.

13 Sec. 3. NEW SECTION. 9A.3 DEFINITIONS.

14 As used in this chapter, unless the context otherwise  
15 requires:

16 1. "Athlete" means a person who is a student athlete or an  
17 eligible student athlete and who participates or is engaged in  
18 discussions which may reasonably be expected to result in the  
19 person's participation in professional sporting events or with  
20 a professional sports team.

21 2. "Athletes' agent" or "agent" means a person who  
22 directly or indirectly recruits or solicits an athlete to  
23 enter into an agency contract with that person or for a fee  
24 procures, offers, promises, or attempts to obtain employment  
25 for an athlete with a professional sports team.

26 3. "Agency contract" means a professional sport services  
27 contract or an agreement under which an athlete authorizes an  
28 agent to negotiate with or solicit on behalf of the athlete  
29 with one or more professional sports teams for the employment  
30 of the athlete with one or more professional sports teams.

31 4. "Student athlete" means a student enrolled in an  
32 institution of higher education who resides in this state and  
33 who is not an eligible student athlete.

34 5. "Eligible student athlete" means a student enrolled in  
35 an institution of higher education located in this state who

1 is eligible to participate, in a particular sport, in  
2 intercollegiate sports contests as a member of a sports team  
3 at an institution of higher education located in this state  
4 pursuant to the rules for eligibility established by or  
5 adhered to by the institution.

6 Sec. 4. NEW SECTION. 9A.4 EMPLOYMENT UNDER PROFESSIONAL  
7 SPORTS CONTRACT.

8 Execution by an athlete of a personal service contract with  
9 the owner or prospective owner of a professional sports team  
10 for the purpose of future athletic services constitutes  
11 employment with a professional sports team.

12 Sec. 5. NEW SECTION. 9A.5 ATHLETES' AGENT REGISTRATION.

13 An athletes' agent desiring to represent an eligible  
14 student athlete or student athlete shall register with the  
15 secretary of state. The agent shall apply for registration or  
16 renewal of registration on forms prescribed by the secretary  
17 of state. The application shall contain the following  
18 information:

19 1. Name of the applicant and address of the applicant's  
20 principal place of business.

21 2. Business or occupation engaged in by the applicant for  
22 the five years immediately preceding the date of application.

23 3. Applicant's educational background, including names and  
24 locations of schools, dates of attendance, degrees or courses  
25 taken, transcripts, and faculty references.

26 4. Names and addresses of five professional references.

27 5. Names and addresses of all persons, except bona fide  
28 employees on stated salaries, who are financially interested  
29 as partners, associates, or profit sharers in the operation of  
30 the business of the agent, except that an application for  
31 registration or renewal by an attorney admitted to practice in  
32 the courts of this state shall state only the names and  
33 addresses of those persons who are involved in the activities  
34 of the applicant as an agent and is not required to state the  
35 names and addresses of all persons who may be financially

1 interested as members of a law firm or professional  
2 corporation but who do not become involved in the business of  
3 the agent.

4 6. Names and addresses of all persons who will or may  
5 contact a student athlete or an eligible student athlete,  
6 whether within or outside the state, for the purpose of  
7 recommending the agent or inducing the student athlete or  
8 eligible student athlete to enter into an agency contract with  
9 the agent.

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10 Upon receipt of an application for registration, the  
11 secretary of state shall evaluate and investigate the  
12 education, training, experience, and character of the  
13 applicant.

14 The registration shall be valid for a period of one year  
15 beginning July 1 of each year. The initial registration shall  
16 be valid until June 30 following the date of the registration.  
17 Renewal of the registration may be made by filing an  
18 application for renewal and a renewal bond pursuant to section  
19 9A.6 with the secretary of state.

20 To offset the expenses incurred by the secretary of state  
21 in administering this chapter, an annual filing fee of two  
22 hundred fifty dollars shall be paid by the agent. The fee and  
23 any other funds received under this chapter shall be credited  
24 to the general fund of the state.

515225 Sec. 6. NEW SECTION. 9A.6 REGISTRATION -- SURETY.

26 An agent shall file with the secretary of state, before the  
27 issuance or renewal of a registration certificate, a surety  
28 bond in the sum of twenty-five thousand dollars. The surety  
29 bond shall be payable to the state and shall be conditioned  
30 that the agent will comply with this chapter, will pay all  
31 amounts due to any individual or group of individuals when the  
32 agent or the athletes' agent's representative or agent has  
33 received such amounts, and will pay all damages caused to any  
34 person by reason of intentional misstatement,  
35 misrepresentation, fraud, or deceit or any unlawful or

1 negligent acts or omissions by the agent or the agent's  
2 representative or employee while acting within the scope of  
3 employment. This section does not limit the recovery of  
4 damages to the amount of the surety bond.

5 If a registrant fails to file a new bond with the secretary  
6 of state before the expiration of the thirtieth day after the  
7 date of receipt of notice of cancellation by the surety of the  
8 bond, the registration issued to the agent shall be suspended  
9 until a new surety bond is filed.

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10 Sec. 7. NEW SECTION. 9A.7 PROHIBITED ACTS PRIOR TO  
11 REGISTRATION.

12 In addition to the prohibited acts enumerated in section  
13 9A.10, a person who is not registered with the secretary of  
14 state as an athletes' agent shall not do any of the following:

15 1. Solicit, negotiate, or enter into an agency contract  
16 with an eligible student athlete.

17 2. Solicit, negotiate, or enter into an agency contract  
18 with a student athlete if the student athlete has never signed  
19 a contract of employment with a professional sports team.

20 Sec. 8. NEW SECTION. 9A.8 HEARING -- REGISTRATION  
21 REVOCATION OR SUSPENSION.

22 Upon notice and after a hearing, the secretary of state may  
23 deny, suspend, or revoke an athletes' agent's registration  
24 upon a showing by a preponderance of the evidence that there  
25 has been a material violation of this chapter or any rule  
26 adopted pursuant to this chapter. The suspension or  
27 revocation of an agent's registration may be appealed.

28 Sec. 9. NEW SECTION. 9A.9 AGENCY CONTRACT.

29 1. An agency contract to be entered into by a registered  
30 agent and a student athlete who has not previously signed a  
31 contract of employment with a professional sports team shall  
32 be on a form approved by the secretary of state. Approval of  
33 the form shall not be withheld unless the proposed form is  
34 unfair, unjust, or oppressive to the student athlete. If the  
35 form of the contract is in compliance with any players

1 association form contract, the contract shall be approved by  
2 the secretary of state.

3 2. The agency contract shall have printed on the face of  
4 the contract in bold print the following: "The agent is  
5 registered with the secretary of state. Registration does not  
6 imply approval or endorsement by the secretary of state of the  
7 specific terms and conditions of this contract or competence  
8 of the agent. You have the right to terminate this contract  
9 within five calendar days after it is signed. You may  
10 jeopardize your standing as a student athlete by entering into  
11 this contract under the rules for eligibility established by  
12 or adhered to by your institution of higher education."

13 3. A registered agent shall file with the secretary of  
14 state a schedule of fees chargeable and collectible from a  
15 student athlete who has not previously signed a contract of  
16 employment with a professional sports team and shall file a  
17 description of the various professional services to be  
18 rendered in return for each fee. The agent may impose charges  
19 only in accordance with the fee schedule. Changes in the fee  
20 schedule may be made from time to time, except that a change  
21 shall not become effective until the seventh day after the  
22 date the change is filed with the secretary of state.

23 4. If a professional sport services contract is negotiated  
24 by a registered agent for a student athlete who has not  
25 previously signed a contract of employment with a professional  
26 sports team, the registered agent shall not collect in any  
27 calendar year for the agent's services in negotiating the  
28 contract a fee that exceeds ten percent of all payments that  
29 the athlete will receive under the contract in that calendar  
30 year.

31 Sec. 10. NEW SECTION. 9A.10 PROHIBITED ACTS OF ATHLETES'  
32 AGENT.

33 An athletes' agent shall not do any of the following:

34 1. Knowingly publish or cause to be published any false,  
35 fraudulent, or misleading information, representation, notice,

1 or advertisement.

2 2. Knowingly give false information or make a false  
3 promise or representation to any person concerning employment.

4 3. Divide fees with or receive compensation from a  
5 professional sports league or franchise or its representative  
6 or employee.

7 4. Enter into an agreement, written or oral, by which the  
8 agent offers anything of value, including the rendition of  
9 free or reduced-price legal services, to a person not employed  
10 by the agent on a full-time basis, including an employee of an  
11 institution of higher education located in this state, in  
12 return for the referral of clients by that person.

13 5. Offer anything of value, excluding reasonable  
14 entertainment expenses and transportation expenses to and from  
15 the agent's registered principal place of business, to induce  
16 a student athlete who has not previously signed a contract of  
17 employment with a professional sports team, to enter into an  
18 agency contract, written or oral, by which the agent will  
19 represent the student athlete.

20 6. Until after completion of the student athlete's last  
21 intercollegiate contest, including postseason games, except as  
22 provided in section 9A.11:

23 a. Solicit, negotiate, or enter into a contract with an  
24 eligible student athlete or student athlete to discuss the  
25 agent's representation of the eligible student athlete or  
26 student athlete in the marketing of the eligible student  
27 athlete's or student athlete's athletic ability or reputation.

28 b. Enter into an agreement, written or oral, by which the  
29 agent will represent the eligible student athlete or student  
30 athlete.

31 c. Pay money, give anything of value, or loan money or  
32 other property to an eligible student athlete or student  
33 athlete.

34 d. Enter into an agreement before the eligible student  
35 athlete's or student athlete's last intercollegiate contest

1 that purports to take effect at a time after the contest is  
2 completed.

3 Sec. 11. NEW SECTION. 9A.11 INTERVIEWS SANCTIONED BY  
4 INSTITUTIONS OF HIGHER EDUCATION.

5 If an institution of higher education located in this state  
6 elects to sponsor athletes' agent interviews on its campus  
7 before the student athlete's eligibility is completed, a  
8 registered athletes' agent may arrange an interview with the  
9 eligible student athlete to discuss the registered agent's  
10 representation of the eligible student athlete in the  
11 marketing of the eligible student athlete's athletic ability  
12 or reputation. The registered agent shall strictly adhere to  
13 the specific rules of each separate electing institution with  
14 regard to the time, place, and duration of the agent  
15 interviews. The interviews shall be conducted only with  
16 eligible student athletes who are in their final year of  
17 eligibility during a period not to exceed ten consecutive  
18 days.

19 Sec. 12. NEW SECTION. 9A.12 PENALTIES.

20 1. An athletes' agent who violates this chapter is subject  
21 to all of the following:

22 a. Forfeiture of any right of repayment of anything of  
23 value received by a student athlete as an inducement to enter  
24 into an agency contract or received by an eligible student  
25 athlete or student athlete before completion of the eligible  
26 student athlete's or student athlete's last intercollegiate  
27 contest.

28 b. A refund of any consideration paid to the athletes'  
29 agent on the eligible student athlete's or student athlete's  
30 behalf.

31 c. Payment of reasonable attorney's fees and court costs  
32 incurred by an eligible student athlete or student athlete in  
33 suing an agent for a violation of this chapter.

34 2. An agency contract that is negotiated by an athletes'  
35 agent who has committed a violation of this chapter in

1 connection with the contract is voidable at the option of the  
2 eligible student athlete or student athlete.

3 3. An athletes' agent or other person who violates this  
4 chapter is guilty of a serious misdemeanor.

5 Sec. 13. NEW SECTION. 9A.13 REPORTING REQUIREMENTS.

6 A registered athletes' agent shall keep records required by  
7 and filed annually with the secretary of state. The records  
8 shall contain the following information:

9 1. The name and address of each person employing the  
10 agent, the amount of fees received from the person, and the  
11 specific services performed on behalf of the person.

12 2. Travel and entertainment expenditures incurred by the  
13 agent including all of the following:

- 14 a. Nature of the expenditure.
- 15 b. Dollar amount of the expenditure.
- 16 c. Purpose of the expenditure.
- 17 d. Date and place of the expenditure.
- 18 e. Person on whose behalf the expenditure was made.

19 Sec. 14. NEW SECTION. 9A.14 RULES.

20 The secretary of state shall adopt rules, pursuant to  
21 chapter 17A, necessary to administer this chapter.

22 Sec. 15. NEW SECTION. 262.34A ATHLETIC COMPENSATION  
23 POLICY.

24 The state board of regents shall urge the national  
25 collegiate athletic association to adopt rules to permit the  
26 compensation of collegiate athletes. The state board of  
27 regents shall investigate, review, and adopt a policy  
28 permitting the compensation of collegiate athletes, who are  
29 enrolled in any of the universities under its control and  
30 participating in a university-sponsored athletic program, by  
31 the university, alumni, or other interested persons.  
32 "Compensation" includes, but is not limited to, scholarships,  
33 available financial awards or resources, motor vehicles, real  
34 or personal property, or anything of value. The state board  
35 shall provide the policy to the presidents, athletic direc-

1 tors, and departments of athletics of the universities under  
2 its control. The state board shall review, update, and  
3 reissue the policy annually. However, the state board shall  
4 delay implementation of the policy until the national  
5 collegiate athletic association adopts a similar policy  
6 permitting compensation of athletes.

7 Sec. 16. NEW SECTION. 722.11 STUDENT ATHLETE

8 PROHIBITIONS.

9 1. As used in this section:

10 a. "Immediate family member" means a spouse, child,  
11 stepchild, parent, stepparent, grandparent, grandchild,  
12 brother, sister, parent-in-law, brother-in-law, sister-in-law,  
13 nephew, niece, aunt, uncle, or first cousin, or guardian of a  
14 person named in this paragraph.

15 b. "Institution of higher education" means an institution  
16 of higher education under the control of the state board of  
17 regents, a merged area school, or a private college or  
18 university located in this state.

19 c. "Student athlete" means a person who engages in, is  
20 eligible to engage in, or may be eligible to engage in an  
21 intercollegiate sporting event, contest, exhibition, or  
22 program. The term includes a person who has applied, is  
23 eligible to apply, or who may be eligible to apply in the  
24 future to an institution of higher education.

25 2. PROHIBITIONS.

26 a. Except as provided in paragraphs "c" and "d", a person  
27 shall not give, offer, promise, or attempt to give money or  
28 any other thing of value to a student athlete or immediate  
29 family member of a student athlete for either of the following  
30 purposes:

31 (1) To induce, encourage, or reward the student athlete's  
32 application, enrollment, or attendance at an institution of  
33 higher education in order to have the student athlete  
34 participate in intercollegiate sporting events, contests,  
35 exhibitions, or programs at that institution.

1 (2) To induce, encourage, or reward the student athlete's  
2 participation in an intercollegiate sporting event, contest,  
3 exhibition, or program.

4 b. A person shall not aid or abet an act described in  
5 paragraph "a".

6 c. As used in this subsection, "person" does not include  
7 any of the following:

8 (1) An institution of higher education or any of its  
9 officers or employees if the institution, officer, or employee  
10 is acting in accordance with an official written policy of the  
11 institution.

12 (2) An immediate family member of the student athlete.

13 d. An intercollegiate athletic award approved or  
14 administered by the institution of higher education that the  
15 student athlete attends is not an inducement, encouragement,  
16 or reward under paragraph "a".

17 e. A person who engages in conduct knowing or having  
18 reason to know that the conduct violates this subsection  
19 commits an aggravated misdemeanor.

20 3. PROHIBITIONS FOR STUDENT ATHLETES.

21 a. Except as provided in paragraph "b", a student athlete  
22 or immediate family member of the student athlete, shall not  
23 solicit or accept money or anything of value for any of the  
24 purposes described in subsection 2, paragraph "a". A person  
25 shall not aid or abet an act described in this paragraph.

26 b. This subsection does not apply to money or other things  
27 of value that a student athlete receives from any of the  
28 following:

29 (1) An institution of higher education, its officers, or  
30 employees if the institution, officer, or employee offered  
31 money or other thing of value in accordance with an official  
32 written policy of the institution or if the thing of value is  
33 an intercollegiate athletic award approved or administered by  
34 that institution.

35 (2) An immediate family member of the student athlete.

1 c. A person who engages in conduct knowing or having  
2 reason to know that the conduct violates this subsection  
3 commits a serious misdemeanor.

4 Sec. 17. The board of athletics for each institution  
5 governed by the state board of regents shall adopt a policy  
6 for the activities regulated pursuant to chapter 9A and  
7 communicate that policy to the national collegiate athletic  
8 association by January 1, 1989.

9 EXPLANATION

10 The bill provides for the registration of athletes' agents  
11 and the regulation of their activities. The bill specifies  
12 proper conduct of athletes' agents and prohibits certain  
13 conduct. Also included in the bill are certain reporting  
14 requirements relating to contacts with athletes and monetary  
15 expenditures of the agents. Violations of the provisions are  
16 serious misdemeanors and may require forfeitures, refunds, and  
17 payment of costs and attorney's fees and may make a contract  
18 voidable.

19 This bill also prohibits student athletes and members of  
20 their immediate families from soliciting or accepting money or  
21 anything of value for encouraging the student's enrollment in  
22 a public or private institution of higher education in order  
23 to participate in intercollegiate sports (a serious  
24 misdemeanor) and it prohibits persons from offering money or  
25 anything of value to student athletes or their immediate  
26 families for those purposes (an aggravated misdemeanor).

27 The bill also requires the state board of regents to review  
28 and adopt a policy permitting the compensation of collegiate  
29 athletes. The board is required to provide the policy to the  
30 presidents, athletic directors, and departments of athletics  
31 under its control. However, the board is required to delay  
32 implementation of the policy until the national collegiate  
33 athletic association adopts a similar policy permitting  
34 compensation of athletes.

35 SUCCESSOR TO SSB 2178 (LSB 8225SC)

LSB 8225SV 72

SENATE FILE 2191

1 Amend Senate File 2191 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

4 "Section 1. NEW SECTION. 9A.1 TITLE.

5 This chapter shall be known as the "Athletes'  
6 Agents Registration Act".

7 Sec. 2. NEW SECTION. 9A.2 LEGISLATIVE FINDINGS.

8 The general assembly declares that this state has  
9 an interest in regulating persons who seek to  
10 represent athletes attending institutions of higher  
11 education in this state in obtaining employment with  
12 professional sports teams. Regulation of athletes'  
13 agents is necessary to protect the interest of the  
14 athletes, the athletic programs of institutions of  
15 higher education in this state, and the public.

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17 As used in this chapter, unless the context  
18 otherwise requires:

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20 athlete or an eligible student athlete and who  
21 participates or is engaged in discussions which may  
22 reasonably be expected to result in the person's  
23 participation in professional sporting events or with  
24 a professional sports team.

25 2. "Athletes' agent" or "agent" means a person who  
26 directly or indirectly recruits or solicits an athlete  
27 to enter into an agency contract with that person or  
28 for a fee procures, offers, promises, or attempts to  
29 obtain employment for an athlete with a professional  
30 sports team.

31 3. "Agency contract" means a professional sport  
32 services contract or an agreement under which an  
33 athlete authorizes an agent to negotiate with or  
34 solicit on behalf of the athlete with one or more  
35 professional sports teams for the employment of the  
36 athlete with one or more professional sports teams.

37 4. "Student athlete" means a student enrolled in  
38 an institution of higher education who resides in this  
39 state and who is not an eligible student athlete.

40 5. "Eligible student athlete" means a student  
41 enrolled in an institution of higher education located  
42 in this state who is eligible to participate, in a  
43 particular sport, in intercollegiate sports contests  
44 as a member of a sports team at an institution of  
45 higher education located in this state pursuant to the  
46 rules for eligibility established by or adhered to by  
47 the institution.

48 Sec. 4. NEW SECTION. 9A.4 EMPLOYMENT UNDER  
49 PROFESSIONAL SPORTS CONTRACT.

50 Execution by an athlete of a personal service

1 contract with the owner or prospective owner of a  
2 professional sports team for the purpose of future  
3 athletic services constitutes employment with a  
4 professional sports team.

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6 REGISTRATION.

7 An athletes' agent desiring to represent an  
8 eligible student athlete or student athlete shall  
9 register with the secretary of state. The agent shall  
10 apply for registration or renewal of registration on  
11 forms prescribed by the secretary of state. The  
12 application shall contain the following information:

13 1. Name of the applicant and address of the  
14 applicant's principal place of business.

15 2. Business or occupation engaged in by the  
16 applicant for the five years immediately preceding the  
17 date of application.

18 3. Applicant's educational background, including  
19 names and locations of schools, dates of attendance,  
20 degrees or courses taken, transcripts, and faculty  
21 references.

22 4. Names and addresses of five professional  
23 references.

24 5. Names and addresses of all persons, except bona  
25 fide employees on stated salaries, who are financially  
26 interested as partners, associates, or profit sharers  
27 in the operation of the business of the agent, except  
28 that an application for registration or renewal by an  
29 attorney admitted to practice in the courts of this  
30 state shall state only the names and addresses of  
31 those persons who are involved in the activities of  
32 the applicant as an agent and is not required to state  
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35 professional corporation but who do not become  
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38 may contact a student athlete or an eligible student  
39 athlete, whether within or outside the state, for the  
40 purpose of recommending the agent or inducing the  
41 student athlete or eligible student athlete to enter  
42 into an agency contract with the agent.

43 Upon receipt of an application for registration,  
44 the secretary of state shall evaluate and investigate  
45 the education, training, experience, and character of  
46 the applicant.

47 The registration shall be valid for a period of one  
48 year beginning July 1 of each year. The initial  
49 registration shall be valid until June 30 following  
50 the date of the registration. Renewal of the

1 registration may be made by filing an application for  
2 renewal and a renewal bond pursuant to section 9A.6  
3 with the secretary of state.

4 To offset the expenses incurred by the secretary of  
5 state in administering this chapter, an annual filing  
6 fee of two hundred fifty dollars shall be paid by the  
7 agent. The fee and any other funds received under  
8 this chapter shall be credited to the general fund of  
9 the state.

10 Sec. 6. NEW SECTION. 9A.6 REGISTRATION --  
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14 certificate, a surety bond in the sum of twenty-five  
15 thousand dollars. The surety bond shall be payable to  
16 the state and shall be conditioned that the agent will  
17 comply with this chapter, will pay all amounts due to  
18 any individual or group of individuals when the agent  
19 or the athletes' agent's representative or agent has  
20 received such amounts, and will pay all damages caused  
21 to any person by reason of intentional misstatement,  
22 misrepresentation, fraud, or deceit or any unlawful or  
23 negligent acts or omissions by the agent or the  
24 agent's representative or employee while acting within  
25 the scope of employment. This section does not limit  
26 the recovery of damages to the amount of the surety  
27 bond.

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29 secretary of state before the expiration of the  
30 thirtieth day after the date of receipt of notice of  
31 cancellation by the surety of the bond, the  
32 registration issued to the agent shall be suspended  
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33 of the various professional services to be rendered in  
34 return for each fee. The agent may impose charges  
35 only in accordance with the fee schedule. Changes in  
36 the fee schedule may be made from time to time, except  
37 that a change shall not become effective until the  
38 seventh day after the date the change is filed with  
39 the secretary of state.

40 4. If a professional sport services contract is  
41 negotiated by a registered agent for a student athlete  
42 who has not previously signed a contract of employment  
43 with a professional sports team, the registered agent  
44 shall not collect in any calendar year for the agent's  
45 services in negotiating the contract a fee that  
46 exceeds ten percent of all payments that the athlete  
47 will receive under the contract in that calendar year.

48 Sec. 10. NEW SECTION. 9A.10 PROHIBITED ACTS OF  
49 ATHLETES' AGENT.

50 An athletes' agent shall not do any of the

1 following:

2 1. Knowingly publish or cause to be published any  
3 false, fraudulent, or misleading information,  
4 representation, notice, or advertisement.

5 2. Knowingly give false information or make a  
6 false promise or representation to any person  
7 concerning employment.

8 3. Divide fees with or receive compensation from a  
9 professional sports league or franchise or its  
10 representative or employee.

11 4. Enter into an agreement, written or oral, by  
12 which the agent offers anything of value, including  
13 the rendition of free or reduced-price legal services,  
14 to a person not employed by the agent on a full-time  
15 basis, including an employee of an institution of  
16 higher education located in this state, in return for  
17 the referral of clients by that person.

18 5. Offer anything of value, excluding reasonable  
19 entertainment expenses and transportation expenses to  
20 and from the agent's registered principal place of  
21 business, to induce a student athlete who has not  
22 previously signed a contract of employment with a  
23 professional sports team, to enter into an agency  
24 contract, written or oral, by which the agent will  
25 represent the student athlete.

26 6. Until after completion of the student athlete's  
27 last intercollegiate contest, including postseason  
28 games, except as provided in section 9A.11:

29 a. Solicit, negotiate, or enter into a contract  
30 with an eligible student athlete or student athlete to  
31 discuss the agent's representation of the eligible  
32 student athlete or student athlete in the marketing of  
33 the eligible student athlete's or student athlete's  
34 athletic ability or reputation.

35 b. Enter into an agreement, written or oral, by  
36 which the agent will represent the eligible student  
37 athlete or student athlete.

38 c. Pay money, give anything of value, or loan  
39 money or other property to an eligible student athlete  
40 or student athlete.

41 d. Enter into an agreement before the eligible  
42 student athlete's or student athlete's last  
43 intercollegiate contest that purports to take effect  
44 at a time after the contest is completed.

45 Sec. 11. NEW SECTION. 9A.11 INTERVIEWS  
46 SANCTIONED BY INSTITUTIONS OF HIGHER EDUCATION.

47 If an institution of higher education located in  
48 this state elects to sponsor athletes' agent  
49 interviews on its campus before the student athlete's  
50 eligibility is completed, a registered athletes' agent

1 may arrange an interview with the eligible student  
2 athlete to discuss the registered agent's  
3 representation of the eligible student athlete in the  
4 marketing of the eligible student athlete's athletic  
5 ability or reputation. The registered agent shall  
6 strictly adhere to the specific rules of each separate  
7 electing institution with regard to the time, place,  
8 and duration of the agent interviews. The interviews  
9 shall be conducted only with eligible student athletes  
10 who are in their final year of eligibility during a  
11 period not to exceed ten consecutive days.

12 Sec. 12. NEW SECTION. 9A.12 PENALTIES.

13 1. An athletes' agent who violates this chapter is  
14 subject to all of the following:

15 a. Forfeiture of any right of repayment of  
16 anything of value received by a student athlete as an  
17 inducement to enter into an agency contract or  
18 received by an eligible student athlete or student  
19 athlete before completion of the eligible student  
20 athlete's or student athlete's last intercollegiate  
21 contest.

22 b. A refund of any consideration paid to the  
23 athletes' agent on the eligible student athlete's or  
24 student athlete's behalf.

25 c. Payment of reasonable attorney's fees and court  
26 costs incurred by an eligible student athlete or  
27 student athlete in suing an agent for a violation of  
28 this chapter.

29 2. An agency contract that is negotiated by an  
30 athletes' agent who has committed a violation of this  
31 chapter in connection with the contract is voidable at  
32 the option of the eligible student athlete or student  
33 athlete.

34 3. An athletes' agent or other person who violates  
35 this chapter is guilty of a serious misdemeanor.

36 Sec. 13. NEW SECTION. 9A.13 REPORTING  
37 REQUIREMENTS.

38 A registered athletes' agent shall keep records  
39 required by and filed annually with the secretary of  
40 state. The records shall contain the following  
41 information:

42 1. The name and address of each person employing  
43 the agent, the amount of fees received from the  
44 person, and the specific services performed on behalf  
45 of the person.

46 2. Travel and entertainment expenditures incurred  
47 by the agent including all of the following:

48 a. Nature of the expenditure.

49 b. Dollar amount of the expenditure.

50 c. Purpose of the expenditure.

- 1 d. Date and place of the expenditure.
- 2 e. Person on whose behalf the expenditure was
- 3 made.

4 Sec. 14. NEW SECTION. 9A.14 RULES.

5 The secretary of state shall adopt rules, pursuant  
6 to chapter 17A, necessary to administer this chapter.

7 Sec. 15. NEW SECTION. 262.34A ATHLETIC  
8 COMPENSATION POLICY.

9 The state board of regents shall urge the national  
10 collegiate athletic association to adopt rules to  
11 permit the compensation of collegiate athletes. The  
12 state board of regents shall investigate, review, and  
13 adopt a policy permitting the compensation of  
14 collegiate athletes, who are enrolled in any of the  
15 universities under its control and participating in a  
16 university-sponsored athletic program, by the  
17 university, alumni, or other interested persons.  
18 "Compensation" includes, but is not limited to,  
19 scholarships, available financial awards or resources,  
20 motor vehicles, real or personal property, or anything  
21 of value. The state board shall provide the policy to  
22 the presidents, athletic directors, and departments of  
23 athletics of the universities under its control. The  
24 state board shall review, update, and reissue the  
25 policy annually. However, the state board shall delay  
26 implementation of the policy until the national  
27 collegiate athletic association adopts a similar  
28 policy permitting compensation of athletes.

29 Sec. 16. NEW SECTION. 722.11 STUDENT ATHLETE  
30 PROHIBITIONS.

31 1. As used in this section:

32 a. "Immediate family member" means a spouse,  
33 child, stepchild, parent, stepparent, grandparent,  
34 grandchild, brother, sister, parent-in-law, brother-  
35 in-law, sister-in-law, nephew, niece, aunt, uncle, or  
36 first cousin, or guardian of a person named in this  
37 paragraph.

38 b. "Institution of higher education" means an  
39 institution of higher education under the control of  
40 the state board of regents, a merged area school, or a  
41 private college or university located in this state.

42 c. "Student athlete" means a person who engages  
43 in, is eligible to engage in, or may be eligible to  
44 engage in an intercollegiate sporting event, contest,  
45 exhibition, or program. The term includes a person  
46 who has applied, is eligible to apply, or who may be  
47 eligible to apply in the future to an institution of  
48 higher education.

49 2. PROHIBITIONS.

a. Except as provided in paragraphs "c" and "d", a

1 person shall not give, offer, promise, or attempt to  
2 give money or any other thing of value to a student  
3 athlete or immediate family member of a student  
4 athlete for either of the following purposes:

5 (1) To induce, encourage, or reward the student  
6 athlete's application, enrollment, or attendance at an  
7 institution of higher education in order to have the  
8 student athlete participate in intercollegiate  
9 sporting events, contests, exhibitions, or programs at  
10 that institution.

11 (2) To induce, encourage, or reward the student  
12 athlete's participation in an intercollegiate sporting  
13 event, contest, exhibition, or program.

14 b. A person shall not aid or abet an act described  
15 in paragraph "a".

16 c. As used in this subsection, "person" does not  
17 include any of the following:

18 (1) An institution of higher education or any of  
19 its officers or employees if the institution, officer,  
20 or employee is acting in accordance with an official  
21 written policy of the institution.

22 (2) An immediate family member of the student  
23 athlete.

24 d. An intercollegiate athletic award approved or  
25 administered by the institution of higher education  
26 that the student athlete attends is not an inducement,  
27 encouragement, or reward under paragraph "a".

28 e. A person who engages in conduct knowing or  
29 having reason to know that the conduct violates this  
30 subsection commits an aggravated misdemeanor.

31 3. PROHIBITIONS FOR STUDENT ATHLETES.

32 a. Except as provided in paragraph "b", a student  
33 athlete or immediate family member of the student  
34 athlete, shall not solicit or accept money or anything  
35 of value for any of the purposes described in  
36 subsection 2, paragraph "a". A person shall not aid  
37 or abet an act described in this paragraph.

38 b. This subsection does not apply to money or  
39 other things of value that a student athlete receives  
40 from any of the following:

41 (1) An institution of higher education, its  
42 officers, or employees if the institution, officer, or  
43 employee offered money or other thing of value in  
44 accordance with an official written policy of the  
45 institution or if the thing of value is an  
46 intercollegiate athletic award approved or  
47 administered by that institution.

48 (2) An immediate family member of the student  
49 athlete.

50 c. A person who engages in conduct knowing or

5500 Page 9

1 having reason to know that the conduct violates this  
2 subsection commits a serious misdemeanor.

3 Sec. 17. The board of athletics for each insti-  
4 tution governed by the state board of regents shall  
5 adopt a policy for the activities regulated pursuant  
6 to chapter 9A and communicate that policy to the  
7 national collegiate athletic association by January 1,  
8 1989."

S-5500

Filed March 21, 1988

BY RICHARD VARN

SENATE FILE 2191

S-5152

1 Amend Senate File 2191 as follows:

2 1. Page 3, by inserting after line 9, the  
3 following:

4 "7. A record of all felony charges and convictions  
5 and misdemeanor charges and convictions of the  
6 applicant.

7 8. A record of all felony charges and convictions  
8 and misdemeanor charges and convictions of all persons  
9 who are financially interested as partners,  
10 associates, or profit-sharers in the operation of the  
11 business of the agent, except bona fide employees on  
12 stated salaries.

13 9. A record of all sanctions issued to, or  
14 disciplinary actions taken against, the applicant or  
15 against a student athlete or an institution of higher  
16 education in connection with a transaction or  
17 occurrence with or involving the agent."

18 2. Page 3, line 25, by inserting after the word  
19 "SURETY" the following: " -- CONSENT TO SERVICE".

20 3. Page 3, line 26, by inserting before the words  
21 "An agent" the following: "1."

22 4. Page 4, by inserting after line 9, the  
23 following:

24 "2. An agent who is a nonresident of Iowa must, in  
25 addition, file with the secretary of state an  
26 irrevocable consent to service of process on a form  
27 prescribed by the secretary. The consent shall be  
28 notarized and signed by the agent or by an authorized  
29 officer, member, or partner of the agent. If the  
30 agent is a corporation, the consent shall be  
31 accompanied by a certified copy of the resolution of  
32 the corporation authorizing the consent. The consent  
33 shall indicate that a process or pleading served upon  
34 the secretary of state is sufficient service upon the  
35 agent if the plaintiff forwards by certified mail one  
36 copy of the process or pleading to the business  
37 address on file at the office of the secretary of  
38 state of the agent."

S-5152  
Filed February 26, 1988

BY RICHARD VARN

SSB 2178  
EDUCATION

EDUC:

SENATE FILE 2191  
BY (PROPOSED COMMITTEE ON  
EDUCATION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to student athletes, by regulating athletes and  
2 athletes' agents, requiring a compensation policy for  
3 collegiate athletes, and providing penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 9A.1 TITLE.

2 This chapter shall be known as the "Athletes' Agents  
3 Registration Act".

4 Sec. 2. NEW SECTION. 9A.2 LEGISLATIVE FINDINGS.

5 The general assembly declares that this state has an  
6 interest in regulating persons who seek to represent athletes  
7 attending institutions of higher education in this state in  
8 obtaining employment with professional sports teams.  
9 Regulation of athletes' agents is necessary to protect the  
10 interest of the athletes, the athletic programs of  
11 institutions of higher education in this state, and the  
12 public.

13 Sec. 3. NEW SECTION. 9A.3 DEFINITIONS.

14 As used in this chapter, unless the context otherwise  
15 requires:

16 1. "Athlete" means a person who is a student athlete or an  
17 eligible student athlete and who participates or is engaged in  
18 discussions which may reasonably be expected to result in the  
19 person's participation in professional sporting events or with  
20 a professional sports team.

21 2. "Athletes' agent" or "agent" means a person who  
22 directly or indirectly recruits or solicits an athlete to  
23 enter into an agency contract with that person or for a fee  
24 procures, offers, promises, or attempts to obtain employment  
25 for an athlete with a professional sports team.

26 3. "Agency contract" means a professional sport services  
27 contract or an agreement under which an athlete authorizes an  
28 agent to negotiate with or solicit on behalf of the athlete  
29 with one or more professional sports teams for the employment  
30 of the athlete with one or more professional sports teams.

31 4. "Student athlete" means a student enrolled in an  
32 institution of higher education who resides in this state and  
33 who is not an eligible student athlete.

34 5. "Eligible student athlete" means a student enrolled in  
35 an institution of higher education located in this state who

1 is eligible to participate, in a particular sport, in  
2 intercollegiate sports contests as a member of a sports team  
3 at an institution of higher education located in this state  
4 pursuant to the rules for eligibility established by or  
5 adhered to by the institution.

6 Sec. 4. NEW SECTION. 9A.4 EMPLOYMENT UNDER PROFESSIONAL  
7 SPORTS CONTRACT.

8 Execution by an athlete of a personal service contract with  
9 the owner or prospective owner of a professional sports team  
10 for the purpose of future athletic services constitutes  
11 employment with a professional sports team.

12 Sec. 5. NEW SECTION. 9A.5 ATHLETES' AGENT REGISTRATION.

13 An athletes' agent desiring to represent an eligible  
14 student athlete or student athlete shall register with the  
15 secretary of state. The agent shall apply for registration or  
16 renewal of registration on forms prescribed by the secretary  
17 of state. The application shall contain the following  
18 information:

19 1. Name of the applicant and address of the applicant's  
20 principal place of business.

21 2. Business or occupation engaged in by the applicant for  
22 the five years immediately preceding the date of application.

23 3. Applicant's educational background, including names and  
24 locations of schools, dates of attendance, degrees or courses  
25 taken, transcripts, and faculty references.

26 4. Names and addresses of five professional references.

27 5. Names and addresses of all persons, except bona fide  
28 employees on stated salaries, who are financially interested  
29 as partners, associates, or profit sharers in the operation of  
30 the business of the agent, except that an application for  
31 registration or renewal by an attorney admitted to practice in  
32 the courts of this state shall state only the names and  
33 addresses of those persons who are involved in the activities  
34 of the applicant as an agent and is not required to state the  
35 names and addresses of all persons who may be financially

1 interested as members of a law firm or professional  
2 corporation but who do not become involved in the business of  
3 the agent.

4 6. Names and addresses of all persons who will or may  
5 contact a student athlete or an eligible student athlete,  
6 whether within or outside the state, for the purpose of  
7 recommending the agent or inducing the student athlete or  
8 eligible student athlete to enter into an agency contract with  
9 the agent.

10 Upon receipt of an application for registration, the  
11 secretary of state shall evaluate and investigate the  
12 education, training, experience, and character of the  
13 applicant.

14 The registration shall be valid for a period of one year  
15 beginning July 1 of each year. The initial registration shall  
16 be valid until June 30 following the date of the registration.  
17 Renewal of the registration may be made by filing an  
18 application for renewal and a renewal bond pursuant to section  
19 9A.6 with the secretary of state.

20 To offset the expenses incurred by the secretary of state  
21 in administering this chapter, an annual filing fee of two  
22 hundred fifty dollars shall be paid by the agent. The fee and  
23 any other funds received under this chapter shall be credited  
24 to the general fund of the state.

25 Sec. 6. NEW SECTION. 9A.6 REGISTRATION -- SURETY.

26 An agent shall file with the secretary of state, before the  
27 issuance or renewal of a registration certificate, a surety  
28 bond in the sum of twenty-five thousand dollars. The surety  
29 bond shall be payable to the state and shall be conditioned  
30 that the agent will comply with this chapter, will pay all  
31 amounts due to any individual or group of individuals when the  
32 agent or the athletes' agent's representative or agent has  
33 received such amounts, and will pay all damages caused to any  
34 person by reason of intentional misstatement,  
35 misrepresentation, fraud, or deceit or any unlawful or

1 negligent acts or omissions by the agent or the agent's  
2 representative or employee while acting within the scope of  
3 employment. This section does not limit the recovery of  
4 damages to the amount of the surety bond.

5 If a registrant fails to file a new bond with the secretary  
6 of state before the expiration of the thirtieth day after the  
7 date of receipt of notice of cancellation by the surety of the  
8 bond, the registration issued to the agent shall be suspended  
9 until a new surety bond is filed.

10 Sec. 7. NEW SECTION. 9A.7 PROHIBITED ACTS PRIOR TO  
11 REGISTRATION.

12 In addition to the prohibited acts enumerated in section  
13 9A.10, a person who is not registered with the secretary of  
14 state as an athletes' agent shall not do any of the following:

15 1. Solicit, negotiate, or enter into an agency contract  
16 with an eligible student athlete.

17 2. Solicit, negotiate, or enter into an agency contract  
18 with a student athlete if the student athlete has never signed  
19 a contract of employment with a professional sports team.

20 Sec. 8. NEW SECTION. 9A.8 HEARING -- REGISTRATION  
21 REVOCATION OR SUSPENSION.

22 Upon notice and after a hearing, the secretary of state may  
23 deny, suspend, or revoke an athletes' agent's registration  
24 upon a showing by a preponderance of the evidence that there  
25 has been a material violation of this chapter or any rule  
26 adopted pursuant to this chapter. The suspension or  
27 revocation of an agent's registration may be appealed.

28 Sec. 9. NEW SECTION. 9A.9 AGENCY CONTRACT.

29 1. An agency contract to be entered into by a registered  
30 agent and a student athlete who has not previously signed a  
31 contract of employment with a professional sports team shall  
32 be on a form approved by the secretary of state. Approval of  
33 the form shall not be withheld unless the proposed form is  
34 unfair, unjust, or oppressive to the student athlete. If the  
35 form of the contract is in compliance with any players

1 association form contract, the contract shall be approved by  
2 the secretary of state.

3 2. The agency contract shall have printed on the face of  
4 the contract in bold print the following: "The agent is  
5 registered with the secretary of state. Registration does not  
6 imply approval or endorsement by the secretary of state of the  
7 specific terms and conditions of this contract or competence  
8 of the agent. You have the right to terminate this contract  
9 within five calendar days after it is signed. You may  
10 jeopardize your standing as a student athlete by entering into  
11 this contract under the rules for eligibility established by  
12 or adhered to by your institution of higher education."

13 3. A registered agent shall file with the secretary of  
14 state a schedule of fees chargeable and collectible from a  
15 student athlete who has not previously signed a contract of  
16 employment with a professional sports team and shall file a  
17 description of the various professional services to be  
18 rendered in return for each fee. The agent may impose charges  
19 only in accordance with the fee schedule. Changes in the fee  
20 schedule may be made from time to time, except that a change  
21 shall not become effective until the seventh day after the  
22 date the change is filed with the secretary of state.

23 4. If a professional sport services contract is negotiated  
24 by a registered agent for a student athlete who has not  
25 previously signed a contract of employment with a professional  
26 sports team, the registered agent shall not collect in any  
27 calendar year for the agent's services in negotiating the  
28 contract a fee that exceeds ten percent of all payments that  
29 the athlete will receive under the contract in that calendar  
30 year.

31 Sec. 10. NEW SECTION. 9A.10 PROHIBITED ACTS OF ATHLETES'  
32 AGENT.

33 An athletes' agent shall not do any of the following:

34 1. Knowingly publish or cause to be published any false,  
35 fraudulent, or misleading information, representation, notice,

1 or advertisement.

2 2. Knowingly give false information or make a false  
3 promise or representation to any person concerning employment.

4 3. Divide fees with or receive compensation from a  
5 professional sports league or franchise or its representative  
6 or employee.

7 4. Enter into an agreement, written or oral, by which the  
8 agent offers anything of value, including the rendition of  
9 free or reduced-price legal services, to a person not employed  
10 by the agent on a full-time basis, including a employee of an  
11 institution of higher education located in this state, in  
12 return for the referral of clients by that person.

13 5. Offer anything of value, excluding reasonable  
14 entertainment expenses and transportation expenses to and from  
15 the agent's registered principal place of business, to induce  
16 a student athlete who has not previously signed a contract of  
17 employment with a professional sports team, to enter into an  
18 agency contract, written or oral, by which the agent will  
19 represent the student athlete.

20 6. Until after completion of the student athlete's last  
21 intercollegiate contest, including postseason games, except as  
22 provided in section 9A.11:

23 a. Solicit, negotiate, or enter into a contract with an  
24 eligible student athlete or student athlete to discuss the  
25 agent's representation of the eligible student athlete or  
26 student athlete in the marketing of the eligible student  
27 athlete's or student athlete's athletic ability or reputation.

28 b. Enter into an agreement, written or oral, by which the  
29 agent will represent the eligible student athlete or student  
30 athlete.

31 c. Pay money, give anything of value, or loan money or  
32 other property to an eligible student athlete or student  
33 athlete.

34 d. Enter into an agreement before the eligible student  
35 athlete's or student athlete's last intercollegiate contest

1 that purports to take effect at a time after the contest is  
2 completed.

3 Sec. 11. NEW SECTION. 9A.11 INTERVIEWS SANCTIONED BY  
4 INSTITUTIONS OF HIGHER EDUCATION.

5 If an institution of higher education located in this state  
6 elects to sponsor athletes' agent interviews on its campus  
7 before the student athlete's eligibility is completed, a  
8 registered athletes' agent may arrange an interview with the  
9 eligible student athlete to discuss the registered agent's  
10 representation of the eligible student athlete in the  
11 marketing of the eligible student athlete's athletic ability  
12 or reputation. The registered agent shall strictly adhere to  
13 the specific rules of each separate electing institution with  
14 regard to the time, place, and duration of the agent  
15 interviews. The interviews shall be conducted only with  
16 eligible student athletes who are in their final year of  
17 eligibility during a period not to exceed ten consecutive  
18 days.

19 Sec. 12. NEW SECTION. 9A.12 PENALTIES.

20 1. An athletes' agent who violates this chapter is subject  
21 to all of the following:

22 a. Forfeiture of any right of repayment of anything of  
23 value received by a student athlete as an inducement to enter  
24 into an agency contract or received by an eligible student  
25 athlete or student athlete before completion of the eligible  
26 student athlete's or student athlete's last intercollegiate  
27 contest.

28 b. A refund of any consideration paid to the athletes'  
29 agent on the eligible student athlete's or student athlete's  
30 behalf.

31 c. Payment of reasonable attorney's fees and court costs  
32 incurred by an eligible student athlete or student athlete in  
33 suing an agent for a violation of this chapter.

34 2. An agency contract that is negotiated by an athletes'  
35 agent who has committed a violation of this chapter in

1 connection with the contract is voidable at the option of the  
2 eligible student athlete or student athlete.

3 3. An athletes' agent or other person who violates this  
4 chapter is guilty of a serious misdemeanor.

5 Sec. 13. NEW SECTION. 9A.13 REPORTING REQUIREMENTS.

6 A registered athletes' agent shall keep records required by  
7 and filed annually with the secretary of state. The records  
8 shall contain the following information:

9 1. The name and address of each person employing the  
10 agent, the amount of fees received from the person, and the  
11 specific services performed on behalf of the person.

12 2. Travel and entertainment expenditures incurred by the  
13 agent including all of the following:

14 a. Nature of the expenditure.

15 b. Dollar amount of the expenditure.

16 c. Purpose of the expenditure.

17 d. Date and place of the expenditure.

18 e. Person on whose behalf the expenditure was made.

19 Sec. 14. NEW SECTION. 9A.14 RULES.

20 The secretary of state shall adopt rules, pursuant to  
21 chapter 17A, necessary to administer this chapter.

22 Sec. 15. NEW SECTION. 262.34A ATHLETIC COMPENSATION  
23 POLICY.

24 The state board of regents shall urge the national  
25 collegiate athletic association to adopt rules to permit the  
26 compensation of collegiate athletes. The state board of  
27 regents shall investigate, review, and adopt a policy

28 permitting the compensation of collegiate athletes, who are  
29 enrolled in any of the universities under its control and  
30 participating in a university-sponsored athletic program, by  
31 the university, alumni, or other interested persons.

32 "Compensation" includes, but is not limited to, scholarships,  
33 available financial awards or resources, motor vehicles, real  
34 or personal property, or anything of value. The state board  
35 shall provide the policy to the presidents, athletic direc-

1 tors, and departments of athletics of the universities under  
2 its control. The state board shall review, update, and  
3 reissue the policy annually. However, the state board shall  
4 delay implementation of the policy until the national  
5 collegiate athletic association adopts a similar policy  
6 permitting compensation of athletes.

7 Sec. 16. NEW SECTION. 722.11 STUDENT ATHLETE  
8 PROHIBITIONS.

9 1. As used in this section:

10 a. "Immediate family member" means a spouse, child,  
11 stepchild, parent, stepparent, grandparent, grandchild,  
12 brother, sister, parent-in-law, brother-in-law, sister-in-law,  
13 nephew, niece, aunt, uncle, or first cousin, or guardian of a  
14 person named in this paragraph.

15 b. "Institution of higher education" means an institution  
16 of higher education under the control of the state board of  
17 regents, a merged area school, or a private college or  
18 university located in this state.

19 c. "Student athlete" means a person who engages in, is  
20 eligible to engage in, or may be eligible to engage in an  
21 intercollegiate sporting event, contest, exhibition, or  
22 program. The term includes a person who has applied, is  
23 eligible to apply, or who may be eligible to apply in the  
24 future to an institution of higher education.

25 2. PROHIBITIONS.

26 a. Except as provided in paragraphs "c" and "d", a person  
27 shall not give, offer, promise, or attempt to give money or  
28 any other thing of value to a student athlete or immediate  
29 family member of a student athlete for either of the following  
30 purposes:

31 (1) To induce, encourage, or reward the student athlete's  
32 application, enrollment, or attendance at an institution of  
33 higher education in order to have the student athlete  
34 participate in intercollegiate sporting events, contests,  
35 exhibitions, or programs at that institution.

1 (2) To induce, encourage, or reward the student athlete's  
2 participation in an intercollegiate sporting event, contest,  
3 exhibition, or program.

4 b. A person shall not aid or abet an act described in  
5 paragraph "a".

6 c. As used in this subsection, "person" does not include  
7 any of the following:

8 (1) An institution of higher education or any of its  
9 officers or employees if the institution, officer, or employee  
10 is acting in accordance with an official written policy of the  
11 institution.

12 (2) .An immediate family member of the student athlete.

13 d. An intercollegiate athletic award approved or  
14 administered by the institution of higher education that the  
15 student athlete attends is not an inducement, encouragement,  
16 or reward under paragraph "a".

17 e. A person who engages in conduct knowing or having  
18 reason to know that the conduct violates this subsection  
19 commits an aggravated misdemeanor.

20 3. PROHIBITIONS FOR STUDENT ATHLETES.

21 a. Except as provided in paragraph "b", a student athlete  
22 or immediate family member of the student athlete, shall not  
23 solicit or accept money or anything of value for any of the  
24 purposes described in subsection 2, paragraph "a". A person  
25 shall not aid or abet an act described in this paragraph.

26 b. This subsection does not apply to money or other things  
27 of value that a student athlete receives from any of the  
28 following:

29 (1) An institution of higher education, its officers, or  
30 employees if the institution, officer, or employee offered  
31 money or other thing of value in accordance with an official  
32 written policy of the institution or if the thing of value is  
33 an intercollegiate athletic award approved or administered by  
34 that institution.

35 (2) An immediate family member of the student athlete.

1 c. A person who engages in conduct knowing or having  
2 reason to know that the conduct violates this subsection  
3 commits a serious misdemeanor.

4 Sec. 17. The board of athletics for each institution  
5 governed by the state board of regents shall adopt a policy  
6 for the activities regulated pursuant to chapter 9A and  
7 communicate that policy to the national collegiate athletic  
8 association by January 1, 1989.

9 EXPLANATION

10 The bill provides for the registration of athletes' agents  
11 and the regulation of their activities. The bill specifies  
12 proper conduct of athletes' agents and prohibits certain  
13 conduct. Also included in the bill are certain reporting  
14 requirements relating to contacts with athletes and monetary  
15 expenditures of the agents. Violations of the provisions are  
16 serious misdemeanors and may require forfeitures, refunds, and  
17 payment of costs and attorney's fees and may make a contract  
18 voidable.

19 This bill also prohibits student athletes and members of  
20 their immediate families from soliciting or accepting money or  
21 anything of value for encouraging the student's enrollment in  
22 a public or private institution of higher education in order  
23 to participate in intercollegiate sports (a serious  
24 misdemeanor) and it prohibits persons from offering money or  
25 anything of value to student athletes or their immediate  
26 families for those purposes (an aggravated misdemeanor).

27 The bill also requires the state board of regents to review  
28 and adopt a policy permitting the compensation of collegiate  
29 athletes. The board is required to provide the policy to the  
30 presidents, athletic directors, and departments of athletics  
31 under its control. However, the board is required to delay  
32 implementation of the policy until the national collegiate  
33 athletic association adopts a similar policy permitting  
34 compensation of athletes.

35