

Senate Study Bill 1039 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON ZAUN)

A BILL FOR

1 An Act relating to prohibited conduct by athlete agents and
2 making penalties applicable.

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

1 Section 1. Section 9A.114, Code 2021, is amended to read as
2 follows:

3 **9A.114 Prohibited conduct.**

4 ~~1. An athlete agent, with the intent to influence a student~~
5 ~~athlete or, if the student athlete is a minor, the parent~~
6 ~~or guardian of the student athlete, to enter into an agency~~
7 ~~contract, shall not intentionally take any of the following~~
8 ~~actions or encourage any other individual to take or assist~~
9 ~~any other individual in taking any of the following actions on~~
10 ~~behalf of the agent:~~

11 ~~a. 1. Give a student athlete or, if the athlete is a~~
12 ~~minor, a parent or guardian of the athlete, materially false~~
13 ~~or misleading information or make a materially false promise~~
14 ~~or representation with the intent to influence the athlete,~~
15 ~~parent, or guardian to enter into an agency contract.~~

16 ~~b. 2. Furnish anything of value to the a student athlete~~
17 ~~before the athlete enters into the contract. or another~~
18 ~~individual, if doing so may result in loss of the athlete's~~
19 ~~eligibility to participate in the athlete's sport, unless all~~
20 ~~of the following actions are taken:~~

21 ~~c. Furnish anything of value to an individual other than the~~
22 ~~athlete or another registered athlete agent.~~

23 ~~2. An athlete agent shall not intentionally do any of the~~
24 ~~following or encourage any other individual to do any of the~~
25 ~~following on behalf of the agent:~~

26 ~~a. The agent notifies the athletic director of the~~
27 ~~educational institution at which the athlete is enrolled, or at~~
28 ~~which the agent has reasonable grounds to believe the athlete~~
29 ~~intends to enroll, not later than seventy-two hours after~~
30 ~~furnishing the thing of value.~~

31 ~~b. The student athlete or, if the athlete is a minor, a~~
32 ~~parent or guardian of the athlete, acknowledges to the agent~~
33 ~~in a record that receipt of the thing of value may result in~~
34 ~~the loss of the athlete's eligibility to participate in the~~
35 ~~athlete's sport.~~

1 ~~a.~~ 3. Initiate contact, directly or indirectly, with a
2 student athlete or, if the athlete is a minor, a parent or
3 guardian of the athlete, to recruit or solicit the athlete,
4 parent, or guardian to enter an agency agreement unless
5 registered under this chapter.

6 ~~b.~~ 4. Fail to create, ~~or~~ retain, or ~~to~~ permit inspection of
7 the records required by section 9A.113.

8 ~~c.~~ 5. Fail to register when required by section 9A.104.

9 ~~d.~~ 6. Provide materially false or misleading information in
10 an application for registration or renewal of registration.

11 ~~e.~~ 7. Predate or postdate an agency contract.

12 ~~f.~~ 8. Fail to notify a student athlete or, if the athlete
13 is a minor, a parent or guardian of the athlete before the
14 athlete, parent, or guardian signs an agency contract for
15 a particular sport that the signing may ~~make the athlete~~
16 ineligible result in the loss of the athlete's eligibility
17 to participate as a student athlete in that in the athlete's
18 sport.

19 9. Encourage another individual to take any of the actions
20 described in subsections 1 through 8 on behalf of the agent.

21 10. Encourage another individual to assist any other
22 individual in taking in any of the actions described in
23 subsections 1 through 8 on behalf of the agent.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill relates to prohibited conduct by athlete agents
28 under Code chapter 9A.

29 The bill strikes language prohibiting an agent from
30 furnishing anything of value to a student athlete before the
31 athlete enters into an agency contract and also prohibiting
32 furnishing anything of value to an individual other than the
33 athlete or another registered athlete agent. The bill instead
34 prohibits furnishing anything of value to an athlete or another
35 individual, if doing so may result in loss of the athlete's

1 eligibility to participate in the athlete's sport, unless two
2 actions occur. The agent must notify the athletic director of
3 the educational institution at which the athlete is enrolled,
4 or at which the agent has reasonable grounds to believe the
5 athlete intends to enroll, not later than 72 hours after
6 furnishing the thing of value. The athlete or, if the athlete
7 is a minor, a parent or guardian of the athlete, must also
8 acknowledge to the agent in a record that receipt of the thing
9 of value may result in the loss of the athlete's eligibility to
10 participate in the athlete's sport.

11 The bill prohibits an agent from encouraging another
12 individual to engage in conduct prohibited for agents, or from
13 encouraging another individual to assist any other individual
14 in engaging in conduct prohibited for agents.

15 The bill modifies prohibited conduct, other than giving
16 materially false or misleading information or making a
17 materially false promise or representation, by prohibiting
18 such conduct when engaged in intentionally, rather than with
19 the intent to influence an athlete or the athlete's parent or
20 guardian to enter into an agency contract.

21 By operation of law, a violation of these requirements by an
22 athlete agent is a serious misdemeanor. A serious misdemeanor
23 is punishable by confinement for no more than one year and a
24 fine of at least \$430 but not more than \$2,560. A violation
25 may also result in a civil action for damages, a civil penalty
26 of up to \$50,000, or the secretary of state refusing to
27 issue, limiting, suspending, revoking, or refusing to renew a
28 certificate of registration as an athlete agent.