

# ASSEMBLY, No. 1094

## STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**SYNOPSIS**

Provides for the registration and regulation of athlete agents.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT providing for the regulation of athlete agents, amending  
2 P.L.1971, c.60, P.L.1974, c.46 and P.L.1978, c.73, and  
3 supplementing Title 45 of the Revised Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. (New section) This act shall be known and may be cited as the  
9 "Athlete Agents Regulation Act of 1998."

10  
11 2. (New section) The Legislature finds and declares that evidence  
12 exists of abuses by agents representing athletes and that the public  
13 interest requires action to protect athletes and the integrity of athletics.

14  
15 3. (New section) As used in this act:

16 "Agent contract" means any contract or agreement pursuant to  
17 which an athlete authorizes or empowers an athlete agent to negotiate  
18 or solicit on behalf of the athlete with one or more professional sports  
19 teams for the employment of the athlete by one or more professional  
20 sports teams or to negotiate or solicit on behalf of the athlete for the  
21 employment of the athlete as a professional athlete.

22 "Athlete" means an individual who is a resident of this State and  
23 who participates or is eligible to participate in an amateur or  
24 professional sport or athletic event.

25 "Athlete agent" means any person who, as an independent  
26 contractor, directly or indirectly, recruits or solicits any athlete to  
27 enter into any agent contract or professional sports services contract  
28 or for a fee procures, offers, promises, or attempts to obtain  
29 employment for any athlete with a professional sports team or as a  
30 professional athlete. Athlete agent does not include any employee or  
31 other representative of a professional sports team.

32 "Board" means the New Jersey Athlete Agent Regulatory Board  
33 established by section 4 of this act.

34 "Director" means the Director of the Division of Consumer Affairs  
35 in the Department of Law and Public Safety.

36 "Player associations or organizations" means any association or  
37 organization which represents professional athletes in collective  
38 bargaining with the management or ownership of professional sports  
39 teams or organizations.

40 "Professional sports services contract" means any contract or  
41 agreement pursuant to which an athlete is employed or agrees to  
42 render services as a player on a professional sports team or as a  
43 professional athlete.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 "Resident" means a person who is a legal resident of this State and  
2 shall also include a student enrolled in a college or university or in  
3 grades 9-12 in a public or private secondary school in this State.

4  
5 4. (New section) There is created, within the Division of  
6 Consumer Affairs in the Department of Law and Public Safety, a board  
7 for the regulation of athlete agents in the State of New Jersey to be  
8 known as the New Jersey Athlete Agent Regulatory Board. The board  
9 shall consist of seven members to be appointed by the Governor with  
10 the advice and consent of the Senate: two of whom shall have  
11 experience in college athletics; two of whom shall have experience in  
12 high school athletics; and three of whom shall have experience  
13 counseling professional athletes with regard to legal or financial  
14 matters.

15 Each member of the board shall be a resident of New Jersey. The  
16 Governor shall appoint each member for a term of three years, except  
17 that of the members first appointed, two shall serve for a term of two  
18 years, three shall serve for a term of three years and two shall serve for  
19 a term of four years. Any vacancy in the membership of the board  
20 shall be filled for the unexpired term in the manner provided by the  
21 original appointment. No member of the board may serve more than  
22 two successive terms in addition to any unexpired term to which he  
23 has been appointed.

24  
25 5. (New section) Members of the board shall be compensated and  
26 reimbursed for expenses and provided with office and meeting facilities  
27 pursuant to section 2 of P.L.1977, c.285 (C.45:1-2.5).

28  
29 6. (New section) The board shall annually elect from among its  
30 members a chairperson and a vice-chairperson. The board shall meet  
31 twice a year and may hold additional meetings as necessary to  
32 discharge its duties.

33  
34 7. (New section) The board shall:

- 35 a. Review the qualifications of applicants for registration;  
36 b. Issue and renew biennial registrations for athlete agents pursuant  
37 to this act;  
38 c. Maintain a record of every athlete agent registered in this State,  
39 their places of business, places of residence and the date and number  
40 of their registration; and  
41 d. Adopt and promulgate rules and regulations pursuant to the  
42 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
43 necessary to effectuate the purposes of this act, except that the initial  
44 rules and regulations shall be promulgated by the director.

1       8. (New section) There shall be an Executive Director of the board  
2 appointed by the director who shall serve at the director's pleasure.  
3 The salary of the Executive Director shall be determined by the  
4 director within the limits of available funds to hire any assistants as are  
5 necessary to administer this act.

6  
7       9. (New section) No person shall engage in or carry on the  
8 occupation of an athlete agent either within the State or with a  
9 resident of the State without first registering with the board.  
10 Notwithstanding any other provisions of this act, an attorney admitted  
11 to practice law in New Jersey who acts as an athlete agent as defined  
12 in section 3 of this act shall be required to register with the board as  
13 an athlete agent.

14  
15       10. (New section) A written application for registration shall be  
16 made to the board on the form prescribed by the board and shall state  
17 the following:

18       a. The name of the applicant and address of the applicant's  
19 residence;

20       b. The address where the business of the athlete agent is to be  
21 conducted;

22       c. The business or occupation engaged in by the applicant for at  
23 least two years immediately preceding the date of application; and

24       d. Such biographical information on the applicant as may be  
25 deemed necessary by the board.

26       The application for registration shall be accompanied by affidavits  
27 or certificates of completion of any and all formal training or practical  
28 experience in any one of the following specific areas: contracts,  
29 contract negotiation, complaint resolution, arbitration, or civil  
30 resolution of contract disputes. The board, in evaluating the  
31 applicant's qualifications, may consider any other relevant training,  
32 education, or experience to satisfy this requirement.

33       An attorney admitted to practice law in New Jersey shall submit a  
34 certificate of good standing issued by the Supreme Court of New  
35 Jersey with the application for registration in lieu of any other  
36 affidavits or certificates required in this section.

37  
38       11. (New section) Upon receipt of an application for registration,  
39 the board may evaluate and investigate the education, training,  
40 experience, and character of the applicant and may examine the  
41 premises designated in the application to verify it to be the principal  
42 place of business in which the applicant proposes to conduct business  
43 as an athlete agent.

44       Submission of a certificate of good standing to practice law  
45 pursuant to section 10 of this act shall be deemed to satisfy the  
46 provisions of this section.

1       12. (New section) In addition to the provisions of section 8 of  
2 P.L.1978, c.73 (C.45:1-21), the board may refuse to grant or may  
3 suspend or revoke the registration of an athlete agent upon proof  
4 showing by a preponderance of the evidence that the agent or the  
5 agent's representative or employee:

6       a. Had made false or misleading statements of a material nature in  
7 the application for registration;

8       b. Has ever misappropriated funds or engaged in other specific acts  
9 such as embezzlement, theft, or fraud which would render the  
10 applicant unfit to serve in a fiduciary capacity;

11       c. Has engaged in such other conduct that has a significant adverse  
12 impact on the applicant's credibility, integrity, or competence to serve  
13 in a fiduciary capacity;

14       d. Has engaged in conduct which violates or causes an athlete to  
15 violate any rule or regulation promulgated by the National Collegiate  
16 Athletic Association or the New Jersey State Interscholastic Athletic  
17 Association governing student-athletes and their relationship with  
18 athlete agents;

19       e. Has been convicted of an indictable offense involving illegal  
20 gambling;

21       f. Has been convicted of an offense relating to the profession of an  
22 athlete agent in another state; or

23       g. Is unwilling to swear or affirm that the applicant will comply  
24 with such rules and standards of conduct for athlete agents as may  
25 from time to time be promulgated by the board.

26       If an athlete agent is also an attorney admitted to practice law in  
27 this State, the board shall advise the Supreme Court of New Jersey in  
28 writing of any refusal to grant, or any suspension or revocation of the  
29 registration of the athlete agent pursuant to the provisions of this  
30 section or the provisions of section 8 of P.L.1978, c.73 (C.45:1-21).  
31 In addition, the board may request the Supreme Court of New Jersey  
32 to advise the board when the Supreme Court imposes discipline for a  
33 violation of the Rules of Professional Conduct upon an attorney who  
34 is also registered as an athlete agent.

35  
36       13. (New section) A registration shall be valid for a period of up  
37 to two years. Renewal of a registration shall require the filing of an  
38 application for renewal, and a renewal bond, if applicable. A renewal  
39 fee shall be paid by the athlete agent at the time of filing such  
40 application.

41  
42       14. (New section) The board may, at its discretion, issue a  
43 temporary registration valid for a period not exceeding 90 days  
44 subject, where appropriate, to automatic and summary revocation by  
45 the board. Otherwise, the conditions for issuance or renewal shall  
46 meet the requirements of section 10 of this act.

1       15. (New section) All applications for registration or renewal shall  
2 state the names and addresses of all persons, except bona fide  
3 employees on stated salaries, who are financially interested either as  
4 partners, associates, or profit sharers in the operation of the business  
5 of the athlete agent.

6  
7       16. (New section) A filing fee to be determined by the board shall  
8 be paid at the time the application for issuance of an athlete agent  
9 registration is filed. In addition to the fee required for application for  
10 issuance of the registration, an athlete agent shall pay to the board  
11 biennially a renewal fee which shall accompany the application for  
12 renewal. The board shall set the fees required by this section in the  
13 amount necessary to generate sufficient revenue to cover the costs of  
14 administration and enforcement of this act.

15  
16       17. (New section) a. An athlete agent shall deposit or have  
17 deposited with the board, prior to the issuance of a registration or  
18 renewal of a registration, a surety bond in the sum of \$100,000.

19       b. For the purposes of this section, a certificate from an insurance  
20 carrier stating that malpractice coverage in the minimum amount of  
21 \$500,000 is in place shall be considered equivalent to a surety bond.  
22 Evidence that such coverage is in full force and effect must be  
23 presented to the board upon such terms and conditions as the board  
24 may prescribe.

25       c. For the purposes of this section, a certificate of deposit payable  
26 to the board or a savings account assigned to the board in the amount  
27 of \$100,000 shall be considered equivalent to a surety bond and shall  
28 be acceptable to the board upon such terms and conditions as the  
29 board may prescribe.

30  
31       18. (New section) a. Surety bonds shall be payable to the State of  
32 New Jersey and shall be conditioned that the person applying for the  
33 registration will comply with this act and will pay all sums due any  
34 athlete or group of athletes when the applicant or the applicant's  
35 representative or employee has received such sums and will pay all  
36 damages occasioned to any athlete by reason of intentional or  
37 unintentional misstatement, misrepresentation, fraud, deceit, or any  
38 unlawful or negligent acts or omissions of the registered athlete agent  
39 or the agent's representatives or employees while acting within the  
40 scope of their employment.

41       b. Nothing in this section shall be construed to limit the recovery  
42 of damages to the amount of the surety bond, malpractice coverage,  
43 certificate of deposit, or savings account.

44  
45       19. (New section) If any registrant fails to maintain such coverage  
46 so as to comply with the provisions of section 17 of this act, the

1 registration issued to the athlete agent shall be suspended until such  
2 time as new coverage is obtained. An athlete agent whose registration  
3 is suspended pursuant to this section shall not carry on business as an  
4 athlete agent during the period of suspension.

5  
6 20. (New section) Each registration shall contain the following:

7 a. The name of the registrant;

8 b. A designation of the address of the place in which the registrant  
9 is authorized to carry on business as an athlete agent; and

10 c. The registration number and date of issuance of the registration.

11 No registration shall apply to anyone other than the athlete agent  
12 to whom it is issued nor to any places other than those designated in  
13 the registration.

14  
15 21. (New section) The board may issue to an eligible person a  
16 certificate of convenience to conduct business as an athlete agent  
17 where the person registered to conduct the athlete agency business has  
18 died or has been declared incompetent by the judgment of a court of  
19 competent jurisdiction or has had a conservator appointed for his or  
20 her estate by a court of competent jurisdiction. The certificate of  
21 convenience may be denominated an estate certificate of convenience.

22  
23 22. (New section) To be eligible for a certificate of convenience,  
24 a person shall be any one of the following:

25 a. The executor or administrator of the estate of a deceased person  
26 registered to conduct the business of an athlete agent;

27 b. If no executor or administrator has been appointed, the surviving  
28 spouse or heir otherwise entitled to conduct the business of the  
29 deceased registrant; or

30 c. The guardian of the estate of an incompetent person registered  
31 as an athlete agent or the conservator appointed for the conservation  
32 of the estate of an incompetent person registered to conduct the  
33 business of an athlete agent.

34 The estate certificate of convenience shall continue in force for a  
35 period not to exceed 90 days and shall be renewable for such period  
36 as the board may deem appropriate, pending the disposal of the athlete  
37 agent registration or the procurement of a new registration under the  
38 provisions of this act.

39  
40 23. (New section) All agent contracts to be utilized by athlete  
41 agents shall be on a form approved by the board. This approval shall  
42 not be withheld unless the proposed form of agency contract is unfair,  
43 unjust, or oppressive to the athlete. Each form of agency contract,  
44 except under the conditions specified in section 38 of this act, shall  
45 contain an agreement by the athlete agent to refer any controversy  
46 between the athlete and the athlete agent relating to the terms of the

1 agent contract to the board for review. There shall be printed on the  
2 face of the agent contract in prominent type the following: "This  
3 athlete agent is registered with the New Jersey Athlete Agent  
4 Regulatory Board. Registration does not imply approval by the board  
5 of the terms and conditions of this contract or the competence of this  
6 athlete agent."

7  
8 24. (New section) The agent contract shall contain in close  
9 proximity to the space for the signature of the athlete a notice in at  
10 least ten-point type stating:

11 a. that the athlete forfeits his eligibility to participate in  
12 intercollegiate athletics upon entering into the agent contract;

13 b. that the athlete is required to advise the athletic director of the  
14 educational institution which he attends that he has been approached  
15 by an athlete agent to enter into an agent contract; and

16 c. that the athlete has the right to have the agent contract reviewed  
17 by an attorney but the athlete is not required to employ the services of  
18 an attorney in order to enter into the agent contract.

19  
20 25. (New section) a. Fees charged by athlete agents to athletes  
21 for services rendered by athlete agents acting in the capacity of athlete  
22 agents may be negotiated between the parties.

23 b. Nothing in this section shall be construed to abridge the  
24 authority of the Supreme Court to establish fees with respect to any  
25 activities deemed to be the practice of law.

26  
27 26. (New section) A trust fund shall be established when an athlete  
28 agent is the recipient of the athlete's salary or other revenue derived  
29 from the athlete. An athlete agent who receives any payment on behalf  
30 of the athlete shall immediately deposit such payment in a trust fund  
31 account or other recognized depository maintained by the athlete  
32 agent. The address and location of the trust fund or other recognized  
33 depository shall be provided to the athlete and the board. An attorney,  
34 acting as an athlete agent, may deposit any payment received on behalf  
35 of the athlete in his clients' trust account maintained in a financial  
36 institution in New Jersey.

37  
38 27. (New section) Every athlete agent shall keep records approved  
39 by the board, in which shall be entered all of the following:

40 a. The name and address of each athlete employing the athlete  
41 agent;

42 b. The amount of fees received from each such athlete;

43 c. The contract entered into between the athlete agent and each  
44 such athlete; and

45 d. Other information which the board may from time to time  
46 require.



1 No athlete agent or his or her representatives or employees shall  
2 make any false entry in any such records. All records required by this  
3 act shall be kept for a period of seven years. All books, records, and  
4 other papers kept pursuant to this act by any athlete agent shall be  
5 open to the inspection of the board and its representatives. Every  
6 athlete agent shall furnish to the board upon request a true copy of the  
7 books, records, and papers kept pursuant to this act, or any portion  
8 thereof, and shall make such reports as the board prescribes.

9  
10 28. (New section) An athlete agent may sell, transfer, or give  
11 away any interest in or the right to participate in the profits of the  
12 athlete agent upon providing written notice, within 20 days prior to  
13 the effective date of the sale, transfer or gift, to the board and to the  
14 athlete or athletes represented by the athlete agent, that the person to  
15 whom the interest or right to participate is transferred has an interest  
16 in or is involved in the sport or sports in which the athlete or athletes  
17 whose interests have been transferred participate.

18  
19 29. (New section) No athlete agent shall have an ownership or  
20 financial interest in any entity which is directly involved in the same  
21 sport as an athlete with whom the athlete agent has entered into an  
22 agent contract or for whom the athlete agent is attempting to negotiate  
23 a professional sports services contract.

24  
25 30. (New section) a. If an athlete agent also advises an athlete  
26 regarding the investment of funds, the athlete agent shall disclose to  
27 the athlete and to the board any ownership interest the athlete agent  
28 has in any entity used by the athlete agent in giving such advice and  
29 any commissions or fees which are being paid to the athlete agent as  
30 a result of investments which are made by the athlete.

31 b. No athlete agent shall act on behalf of an athlete as a  
32 "broker-dealer" or "investment adviser," as defined in section 2 of  
33 P.L.1967, c.93 (C.49:3-49), unless the athlete agent complies with the  
34 requirements of section 30 of P.L.1967, c.93 (C.49:3-47 et seq.).

35  
36 31. (New section) No athlete agent shall knowingly enter into a  
37 contract with an athlete containing any term or condition which, if  
38 complied with, would be in violation of law.

39  
40 32. (New section) No athlete agent shall publish or cause to be  
41 published any false, fraudulent, or misleading information,  
42 representation, notice, or advertisement. All advertisements of an  
43 athlete agent by means of cards, circulars, or signs and in newspapers  
44 and other publications and all letterheads, receipts, and other papers  
45 shall be printed and contain the registered name and address of the  
46 athlete agent and a notation signifying that the athlete agent is a

1 registered athlete agent and, if applicable, may also indicate that the  
2 athlete agent is an attorney admitted to practice law in this State. No  
3 athlete agent shall give any false information or make any false  
4 promises or representations concerning any employment to any athlete.  
5

6 33. (New section) a. No athlete agent shall divide fees with a  
7 professional sports league or franchise, its representatives, or  
8 employees.

9 b. No athlete agent shall enter into any agreement whereby the  
10 athlete agent offers anything of value, including, but not limited to, the  
11 rendition of free or reduced fees for legal services, to any employee of  
12 a university or educational institution in return for the referral of any  
13 clients by that employee.

14 c. No employee of a union or players association connected with  
15 a professional sports league shall own or participate in any of the  
16 revenues of an athlete agent.  
17

18 34. (New section) If an athlete agent collects a fee or expenses  
19 from an athlete for purposes of obtaining employment for the athlete  
20 and the athlete fails to procure such employment, the athlete agent  
21 shall be limited as to the fee he collects from the athlete in the  
22 following manner:

23 a. The athlete agent shall receive reimbursement for all reasonable  
24 out-of-pocket expenses incurred by the athlete agent during the course  
25 of his representation of the athlete; and

26 b. If the athlete received a bonus for the signing of a professional  
27 sports services contract, the athlete agent may be entitled to a fee  
28 negotiated between the parties.

29 c. Nothing in this section shall be construed to abridge the  
30 authority of the Supreme Court to establish fees with respect to any  
31 activities deemed to be the practice of law.  
32

33 35. (New section) All actions brought in any court against any  
34 athlete agent may be brought in the name of the person damaged by  
35 the athlete agent, and the person damaged may name the surety,  
36 malpractice carrier, or holder of the savings account or certificate of  
37 deposit as an additional party. The action may be transferred and  
38 assigned as any other claim for damages. The amount of damages  
39 claimed by the person so damaged, and not the penalty named in the  
40 bond, malpractice coverage, savings account, or certificate of deposit,  
41 determines the jurisdiction of the court in which the action is to be  
42 brought.  
43

44 36. (New section) When an athlete agent has departed from the  
45 State with intent to defraud creditors or to avoid service of summons  
46 in an action brought under this act, service shall be made upon the

1 surety, malpractice carrier or holder of the savings account or  
2 certificate of deposit of an athlete agent. A copy of the summons shall  
3 be mailed to the athlete agent at the last known address of his  
4 residence and also at the place where the business of the athlete agent  
5 was conducted as shown by the records of the board. Service is  
6 complete as to the athlete agent, after mailing, at the expiration of the  
7 time prescribed by law for service of summons in the particular court  
8 in which suit is brought.

9  
10 37. (New section) a. In cases of controversy arising under this  
11 act, the parties involved shall refer the matters in dispute to the board,  
12 which shall hear and determine the same subject to an appeal.

13 b. The board may certify without a hearing that there is no  
14 controversy within the meaning of this section if the board has by  
15 investigation established that there is no dispute. Service of the  
16 certification shall be made upon all parties concerned by registered or  
17 certified mail with return receipt requested and the certification shall  
18 be conclusive ten days after the date of mailing if no objection has  
19 been filed with the board during that period.

20  
21 38. (New section) Notwithstanding section 23 of this act, a  
22 provision in an agent contract providing for the decision by arbitration  
23 of any controversy under the contract or as to its existence, validity,  
24 construction, performance, nonperformance, breach, operation,  
25 continuance, or termination, shall be valid if all of the following occur:

26 a. The provision is contained in a contract between an athlete agent  
27 and an athlete for whom the athlete agent under the contract  
28 undertakes to endeavor to secure employment;

29 b. The provision is inserted in the contract pursuant to any rule,  
30 regulation, or contract of a bona fide labor union regulating the  
31 relations of its members to an athlete agent;

32 c. The contract provides for reasonable notice to the board of the  
33 time and place of all arbitration hearings; and

34 d. The contract provides that the board or its authorized  
35 representative has the right to attend all arbitration hearings.

36 If there is such an arbitration provision in a contract, the contract  
37 need not provide that the athlete agent agrees to refer any controversy  
38 between the athlete and the athlete agent regarding the terms of the  
39 contract to the board for review, and section 37 of this act shall not  
40 apply to controversies pertaining to the contract.

41  
42 39. (New section) Any agent contract which is negotiated by an  
43 athlete agent who has failed to comply with section 9 of this act is void  
44 and unenforceable.

1       40. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read as  
2 follows:

3       1. The provisions of this act shall apply to the following boards and  
4 commissions: the New Jersey State Board of Accountancy, the New  
5 Jersey State Board of Architects, the New Jersey State Board of  
6 Cosmetology and Hairstyling, the Board of Examiners of Electrical  
7 Contractors, the New Jersey State Board of Dentistry, the State Board  
8 of Mortuary Science of New Jersey, the State Board of Professional  
9 Engineers and Land Surveyors, the State Board of Marriage and  
10 Family Therapy Examiners, the State Board of Medical Examiners, the  
11 New Jersey Board of Nursing, the New Jersey State Board of  
12 Optometrists, the State Board of Examiners of Ophthalmic Dispensers  
13 and Ophthalmic Technicians, the Board of Pharmacy, the State Board  
14 of Professional Planners, the State Board of Psychological Examiners,  
15 the State Board of Examiners of Master Plumbers, the New Jersey  
16 Real Estate Commission, the State Board of Shorthand Reporting, the  
17 State Board of Veterinary Medical Examiners, the Radiologic  
18 Technology Board of Examiners, the Acupuncture Examining Board,  
19 the State Board of Chiropractic Examiners, the State Board of  
20 Respiratory Care, the State Real Estate Appraiser Board, the State  
21 Board of Social Work Examiners, [and] the State Board of Public  
22 Movers and Warehousemen and the New Jersey Athlete Agent  
23 Regulatory Board.

24 (cf: P.L.1995, c.366, s.20)

25

26       41. Section 1 of P.L.1974, c.46 (C.45:1-3.1) is amended to read as  
27 follows:

28       1. The provisions of this act shall apply to the following boards and  
29 commissions: the New Jersey State Board of Accountancy, the New  
30 Jersey State Board of Architects, the New Jersey State Board of  
31 Cosmetology and Hairstyling, the Board of Examiners of Electrical  
32 Contractors, the New Jersey State Board of Dentistry, the State Board  
33 of Mortuary Science of New Jersey, the State Board of Professional  
34 Engineers and Land Surveyors, the State Board of Marriage and  
35 Family Therapy Examiners, the State Board of Medical Examiners, the  
36 New Jersey Board of Nursing, the New Jersey State Board of  
37 Optometrists, the State Board of Examiners of Ophthalmic Dispensers  
38 and Ophthalmic Technicians, the Board of Pharmacy, the State Board  
39 of Professional Planners, the State Board of Psychological Examiners,  
40 the State Board of Examiners of Master Plumbers, the State Board of  
41 Shorthand Reporting, the State Board of Veterinary Medical  
42 Examiners, the Radiologic Technology Board of Examiners, the  
43 Acupuncture Examining Board, the State Board of Chiropractic  
44 Examiners, the State Board of Respiratory Care, the State Real Estate

1 Appraiser Board, [and] the State Board of Social Work Examiners  
2 and the New Jersey Athlete Agent Regulatory Board.

3 (cf: P.L.1995, c.366, s.22)

4  
5 42. Section 2 of P.L.1978, c.73 (C.45:1-15) is amended to read as  
6 follows:

7 2. The provisions of this act shall apply to the following boards and  
8 all professions or occupations regulated by or through such boards:  
9 the New Jersey State Board of Accountancy, the New Jersey State  
10 Board of Architects, the New Jersey State Board of Cosmetology and  
11 Hairstyling, the Board of Examiners of Electrical Contractors, the  
12 New Jersey State Board of Dentistry, the State Board of Mortuary  
13 Science of New Jersey, the State Board of Professional Engineers and  
14 Land Surveyors, the State Board of Marriage and Family Therapy  
15 Examiners, the State Board of Medical Examiners, the New Jersey  
16 Board of Nursing, the New Jersey State Board of Optometrists, the  
17 State Board of Examiners of Ophthalmic Dispensers and Ophthalmic  
18 Technicians, the Board of Pharmacy, the State Board of Professional  
19 Planners, the State Board of Psychological Examiners, the State Board  
20 of Examiners of Master Plumbers, the State Board of Shorthand  
21 Reporting, the State Board of Veterinary Medical Examiners, the  
22 Acupuncture Examining Board, the State Board of Chiropractic  
23 Examiners, the State Board of Respiratory Care, the State Real Estate  
24 Appraiser Board, [and] the State Board of Social Work Examiners  
25 and the New Jersey Athlete Agent Regulatory Board.

26 (cf: P.L.1995, c.366, s.23)

27  
28 43. Sections 1 through 7 of this act shall take effect immediately,  
29 with the remaining sections taking effect 180 days following  
30 enactment.

### 31 32 33 STATEMENT

34  
35 This bill establishes the New Jersey Athlete Agent Regulatory  
36 Board within the Division of Consumer Affairs in the Department of  
37 Law and Public Safety for the registration and regulation of athlete  
38 agents.

39 The bill defines "athlete agent" as any person who, as an  
40 independent contractor (not any employee or other representative of  
41 a professional sports team), directly or indirectly recruits or solicits  
42 any athlete to enter into any agent or professional sports services  
43 contract, or for a fee procures, offers, promises, or attempts to obtain  
44 employment for any athlete with a professional sports team or as a  
45 professional athlete. An "athlete" is any individual who is a resident  
46 of this State and who participates or is eligible to participate in an

1 amateur or professional sport or athletic event. The bill requires  
2 individuals, including attorneys, to register with the board before  
3 practicing as an athlete agent.

4 The board of seven members with an interest in college athletics  
5 (two must have experience in high school athletics and three must have  
6 experience giving legal or financial counseling to professional athletes)  
7 will be appointed by the Governor with the advice and consent of the  
8 Senate. The bill empowers the board to: review, issue, renew, deny,  
9 suspend and revoke registrations. The may deny, suspend or revoke  
10 the registration of an athlete agent if the agent has violated any  
11 provision of section 8 of P.L.1978, c.73 (C.45:1-21), has engaged in  
12 conduct involving certain civil or criminal offenses, or which violates  
13 from a standard requiring proof to the satisfaction of the board, to a  
14 standard of proof which violates the rules of the National Collegiate  
15 Athletic Association (NCAA) or the New Jersey State Interscholastic  
16 Athletic Association governing student-athletes and their relationship  
17 with athlete agents.

18 Athlete agents are required to deposit a surety bond in the sum of  
19 \$100,000 with the board. A certificate from an insurance carrier  
20 stating that malpractice coverage in the minimum amount of \$500,000  
21 is in place, a certificate of deposit in the amount of \$100,000 payable  
22 to the board or a savings account in the amount of \$100,000 assigned  
23 to the board shall be considered equivalent to the surety bond.

24 The bill requires the form of agent contracts to be approved by the  
25 board and requires that each contract to contain a notice stating that  
26 the athlete forfeits his eligibility to participate in intercollegiate  
27 athletics by entering into an agent contract. The bill provides for the  
28 negotiation and limitation of fees and the establishment of trust funds  
29 for certain athletes. The bill prohibits an agent's sale or transfer of  
30 any interest in the profits of the athlete agent without providing  
31 written notice to the board and the athlete.

32 The bill prohibits an athlete agent from having an interest in any  
33 entity which is directly involved in the same sport as an athlete with  
34 whom the agent has a contract, and an athlete agent must disclose to  
35 clients and the board any interest the agent has when giving investment  
36 advice. The bill prohibits an athlete agent from dividing fees with a  
37 professional sports league or franchise or paying an employee of a  
38 university or educational institution for the referral of clients. The bill  
39 prohibits an employee of a union or players association connected with  
40 a professional sports league from owning or participating in any of the  
41 revenues of an athlete agent.

42 The bill makes agents subject to the provisions of the uniform  
43 enforcement act for professional boards, P.L.1978, c.73 (C.45:1-14 et  
44 seq.), and requires agents to comply with all requirements of the State  
45 "Uniform Securities Law (1997)" if they act as investment advisors or  
46 broker-dealers.