

Honolulu, Hawaii

FEB 13 2017

RE: S.B. No. 430
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Health and Judiciary and Labor, to which was referred S.B. No. 430 entitled:

"A BILL FOR AN ACT RELATING TO ATHLETE AGENTS,"

beg leave to report as follows:

The purpose and intent of this measure is to repeal the Uniform Athlete Agents Act and replace it with a new Revised Uniform Athlete Agents Act, which:

- (1) Expands the definition of "athlete agent" to include individuals who, for compensation or the anticipation of compensation, serve a student athlete as a financial advisor or business manager;
- (2) Requires reciprocity for athlete agents who are registered in more than one state;
- (3) Strengthens requirements for athlete agent contracts; and
- (4) Strengthens requirements under which athlete agents must notify the educational institution at which a student athlete is enrolled.

Your Committees received testimony in support of this measure from the University of Hawai'i at Manoa Athletic Department, University of Hawai'i at Hilo Athletic Department, Commission to



Promote Uniform Legislation, and one individual. Your Committees received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs.

Your Committees find that the improper recruitment of a student athlete who is still enrolled in an educational institution can cause substantial eligibility problems for the student athlete and the educational institution, which can also lead to severe economic sanctions and loss of scholarships for the institution. In an effort to counteract this issue, in 2007, Hawaii joined approximately forty other states by enacting the Uniform Athlete Agents Act, codified as chapter 481E, Hawaii Revised Statutes. Although the Uniform Athlete Agents Act has helped reduce improper contact between agents and student athletes, since the Act's adoption, a variation of the sports agent problem has emerged in the form of "financial advisers" who seek contact with student athletes.

Your Committees note that to address emerging issues, the Uniform Law Commission adopted a Revised Uniform Athlete Agents Act, which expands the registration requirements for athlete agents to cover financial advisers in some circumstances, requires reciprocity in registration for athlete agents, increases the requirements for athlete agents to notify educational institutions when the agents are recruiting a particular student athlete, establishes penalties for athlete agents who violate the act, and ensures student athletes have a right of action against an athlete agent who violates the act. This measure adopts the Revised Uniform Athlete Agents Act, which contains superior protections for student athletes and educational institutions.

Your Committees have amended this measure by:

- (1) Incorporating suggested amendments from the Professional and Vocational Licensing Division and the Regulated Industries Complaints Office, which standardize certain language to reflect language found in other licensing statutes within the purview of the Department of Commerce and Consumer Affairs, including:
 - (A) Clarifying the professionals that are encompassed in the term "licensed, registered, or certified professional";



- (B) Clarifying the powers and duties of the Director of Commerce and Consumer Affairs;
 - (C) Ensuring that the Department of Commerce and Consumer Affairs would reciprocally register other athlete agents who are registered in other states that have also adopted the Revised Athlete Agents Act;
 - (D) Clarifying the registration renewal process for athlete agents;
 - (E) Adding standard procedural language to enable the Director of Commerce and Consumer Affairs to deny, suspend, revoke, or refuse to renew a certificate of registration after proper notice and an opportunity to be heard; and
 - (F) Removing language that referenced administrative penalties in a section that establishes criminal penalties for athlete agents;
- (2) Inserting an effective date of July 1, 2018, to correspond to the existing registration renewal schedule for athlete agents; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

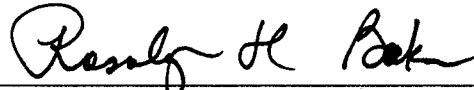
As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 430, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 430, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and Health
and Judiciary and Labor,



GILBERT S.C. KEITH-AGARAN, Chair



ROSALYN H. BAKER, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* <i>SB430</i>	Committee Referral: <i>CPH/JDL, WAM</i>	Date: <i>2/3/17</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
KIDANI, Michelle N.				/
RUDERMAN, Russell E.				/
TOTAL	<i>5</i>			<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clarence K Nishihara</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 430	Committee Referral: CPH/JDL, WAM	Date: 2/3/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado				✓
THIELEN, Laura H.	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Karl Rhoads</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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