

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 2440

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Higher Education and Education, to which was referred H.B. No. 2440 entitled:

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

beg leave to report as follows:

The purpose of this measure is to protect student-athletes and educational institutions by enacting the Uniform Athlete Agents Act developed by the National Conference of Commissioners on Uniform State Laws.

This bill also exempts the regulation of athlete agents from a sunrise analysis by the auditor under section 26H-4, Hawaii Revised Statutes, in recognition of the fact that requiring such a review would serve no purpose in this case.

The protections provided by this bill include:

- (1) Requiring athlete agents to register with the Department of Commerce and Consumer Affairs and establishing grounds for denial of registration, revocation of registration, and refusal to renew registration;
- (2) Requiring athlete agents to disclose current business information and any history of negative conduct as an agent, including loss of license, administrative sanctions, or findings of conduct causing participation eligibility violations;



- (3) Prohibiting certain acts intended to induce a student-athlete to enter into a contract with an athlete agent;
- (4) Requiring contracts between student-athletes and athlete agents to contain specific warnings about the potential loss of participation eligibility;
- (4) Requiring the student-athlete and athlete agent to notify the affected school if a contract is signed; and
- (5) Providing administrative, civil, and criminal penalties for violation of the Act.

Your Committees received testimony in support of this measure from the Superintendent of Education and the University of Hawaii. The Department of Commerce and Consumer Affairs expressed a number of concerns about the bill. These included the exemption of the proposed regulation from a sunrise analysis by the auditor, making athlete agent registrations a public record, the process by which registration would be administered, including the assessment of fees, the lack of resources necessary to administer the regulatory requirements, the imminent effective date of July 1, 2006, and the absence of authority to adopt rules to implement the regulatory requirements.

The Office of Information Practices took no position on the bill but suggested that the bill be amended to refer to registration records not as "public records" but as "government records" so that the records will be subject to the disclosure requirements and protections of the Uniform Information Practices Act, Chapter 92F, Hawaii Revised Statutes.

Your Committees believe that this measure merits further consideration and that the concerns raised and amendment suggested would best be considered by the Committee on Judiciary.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2440 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.



Respectfully submitted on  
behalf of the members of the  
Committees on Higher Education  
and Education,

*R. Takumi*

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ROY TAKUMI, Chair

*Tommy Waters*

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TOMMY WATERS, Chair





