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FISCAL IMPACT REPORT

ORIGINAL DATE 3/1/19

SPONSOR Madrid/Lara **LAST UPDATED** _____ **HB** 575

SHORT TITLE Athlete Agents Act Changes **SB** _____

ANALYST Gaussoin

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General (NMAG)
 Regulation and Licensing Department (RLD)
 Children, Youth and Families Department (CYFD)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 575 amends the Uniform Athlete Agents Act to clarify that minors cannot contract with an agent, although their parents or guardians can, and extend the provisions of the act to the parents or guardians of minor athletes. The bill also clarifies that only registered agents can directly or indirectly contact an athlete or the parents or guardians, and agents cannot directly or through another person lie to or provide anything of value to a student athlete or the adults until that athlete has entered an agency contract and formally acknowledged the contract may make the athlete ineligible for student athletics.

The bill creates a new section of the act that allows a registered agent certified by a relevant national association to pay an expense for an athlete before a contract is signed if the expense has been approved by the national association that certified the agent and if the agent has notified the secretary of the association.

The effective date of the bill is not specified. If signed, the bill would become effective 90 days following adjournment, or June 14, 2019.

FISCAL IMPLICATIONS

The bill would require the regulating agency to rewrite certain state rules and PED reports the department would need to notify school and district athletic directors about the change in law. These requirements would not have a fiscal impact.

SIGNIFICANT ISSUES

PED notes HB575 recognizes that not all student athletes have reached the age of majority and are legally able to enter into contracts but makes it clear that an agent working with an adult acting on the behalf of a student athlete must still abide by the same rules.

However, PED raises the concern that “providing an exception for athlete agents to provide payment for certain student athlete’s and others’ expenses may be injurious to the act’s ability to limit the persuasive effects of material goods” on inducing a student or the parents or guardians of a student from signing a contract.

ADMINISTRATIVE IMPLICATIONS

The Public Education Department (PED) would need to notify the athletic directors responsible for administering the overall athletic programs in the schools of the changes in the law.

TECHNICAL ISSUES

NMAG suggests including the definition of “certified athlete agent” in the definitions section to reduce confusion.

NMAG also notes unclear language in Section 6 that states “a certified athlete agent shall notify the secretary of the agent’s certification by the national association that certified the agent and other information prescribed by the secretary.”

HFG/gb