

**STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

**IN THE MATTER OF RULEMAKING :
PROCEEDINGS BEFORE THE : REPORT TO THE LEGISLATURE
DEPARTMENT OF SAFETY AND : CR 20-029
PROFESSIONAL SERVICES :**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS: N/A.

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA are attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

This rule project updates the definitions sections of SPS 150 and 151 to incorporate the new definitions pertinent to athlete agents that were created by 2019 Wisconsin Acts 143 and 180.

SPS 151 and 152 are revised to remove sections that are either obsolete or duplicative. The application content section and denial of issuance or renewal of certificate of registration sections, SPS 151.02, 151.05, and 152.04 are entirely duplicative of statutory requirements, therefore this rule project repeals them. SPS 151.03, 152.02, and 152.05 are repealed as obsolete in listing the credential fee amount, as this information is no longer generally provided in rule, but in a listing on the department's website for each credential.

SPS 151 is revised to better instruct applicants on the process and requirements to apply for an original certificate of registration, a reciprocal certificate generally, a reciprocal certificate for service members, former service members, and spouses under s. 440.09, as well as to incorporate instructions for renewing original or reciprocal certificates as had been previously included under SPS 152.

SPS 153.01 to 153.07 are repealed as these requirements are all purely duplicative of statutory requirements. The remaining components of ch. SPS 153, SPS 153.08 to 153.10, are merged into ch. SPS 154 relating to unprofessional conduct. Additional provisions are created in ch. SPS 154 to reflect that unlicensed practice, assisting or allowing unlicensed practice, and violating the statutory requirements for contract components, etc. are considered unprofessional conduct.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD’S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

The Department of Safety and Professional Services held a public hearing on August 28, 2020. There were no written comments or testimony received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

Comment 2. d.: The agency should consider including an initial applicability provision to make clear how the proposed rule will apply to applicants with pending applications. For example, the rule could specify that the provisions apply to applications submitted on or after the effective date of the rule. [s. 1.02 (3m), Manual.]

Response: 2019 Wisconsin Act 180 first applies to applications filed on or after July 1, 2020. This rule project revises the department’s rules to bring them into conformity with the existing statutory requirements of Act 180 which are already in effect. As such, a delayed initial applicability date does not seem appropriate for this rule.

All remaining recommendations suggested in the Clearinghouse Report have been accepted in whole.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS: N/A.

STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

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PROCEEDINGS BEFORE THE	:	DEPARTMENT OF SAFETY AND
DEPARTMENT OF SAFETY AND	:	PROFESSIONAL SERVICES
PROFESSIONAL SERVICES	:	ADOPTING RULES
	:	(CLEARINGHOUSE RULE 20-029)

PROPOSED ORDER

An order of the Department of Safety and Professional Services to repeal SPS 151.03, 151.05, 152, and 153; to repeal and recreate SPS 150.02, 151.01, 151.02, 151.04, and 154.01; and to create 151.06 and 151.07, relating to athlete agent registration.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: Sections 440.09, 440.9915, and 440.999, Stats.

Statutory authority: Sections 440.09 (5), 440.9915, and 440.999, Stats.

Explanation of agency authority:

Section 440.09 (5), Stats. states that “[t]he department or credentialing board, as appropriate, may promulgate rules necessary to implement this section.”

Section 440.9915 (1), Stats. states that “[a]n applicant for registration as an athlete agent shall submit an application for registration to the department in a form prescribed by the department.”

Section 440.999, Stats. states that “The department shall promulgate rules that define unprofessional conduct for purposes of s. 440.992 (2) (c).”

Related statute or rule: None.

Plain language analysis:

This rule project updates the definitions sections of SPS 150 and 151 to incorporate the new definitions pertinent to athlete agents that were created by 2019 Wisconsin Acts 143 and 180.

SPS 151 and 152 are revised to remove sections that are either obsolete or duplicative. The application content section and denial of issuance or renewal of certificate of registration sections, SPS 151.02, 151.05, and 152.04 are entirely duplicative of statutory

requirements, therefore this rule project repeals them. SPS 151.03, 152.02, and 152.05 are repealed as obsolete in listing the credential fee amount, as this information is no longer generally provided in rule, but in a listing on the department's website for each credential.

SPS 151 is revised to better instruct applicants on the process and requirements to apply for an original certificate of registration, a reciprocal certificate generally, a reciprocal certificate for service members, former service members, and spouses under s. 440.09, as well as to incorporate instructions for renewing original or reciprocal certificates as had been previously included under SPS 152.

SPS 153.01 to 153.07 are repealed as these requirements are all purely duplicative of statutory requirements. The remaining components of ch. SPS 153, SPS 153.08 to 153.10, are merged into ch. SPS 154 relating to unprofessional conduct. Additional provisions are created in ch. SPS 154 to reflect that unlicensed practice, assisting or allowing unlicensed practice, and violating the statutory requirements for contract components, etc. are considered unprofessional conduct.

Summary of, and comparison with, existing or proposed federal regulation:

The Sports Agent Responsibility and Trust Act regulates athlete agents at the federal level.

Consumer Protection Provisions: 15 U.S.C. § 7802 to 7804

Athlete agents are prohibited from using false or misleading promises or things of value to persuade an athlete into signing an agency contract. It also requires a disclosure be provided to the athlete or his parent/guardian, and be acknowledged, that signing an agency contract may terminate the athlete's eligibility to participate in college athletics, and that the athlete and the athlete agent must both inform the athletic director of the athlete's institution of the contract within 72 hours. Further, athlete agents are prohibited from pre or post-dating a contract. Enforcement is carried out under the Federal Trade Commission Act or may be investigated, and violations pursued by a state attorney general.

Protections for Educational Institutions: 15 U.S.C. § 7805

Educational institutions affected by an agency agreement may sue athlete agents for damages.

Sense of Congress Declaration: 15 U.S.C. § 7807

Congress recommends that states adopt the UAAA.

Summary of public comments received on statement of scope and a description of how and to what extent those comments and feedback were taken into account in drafting the proposed rule: N/A.

Comparison with rules in adjacent states:

Illinois:

Illinois has repealed its athlete agent act and no longer requires or issues a credential for the athlete agent profession.

Iowa:

Iowa does not have administrative rules regulating athlete agents but adopts the UAAA in statute (IA Stats. § 9A.114).

Michigan:

Michigan does not have statutes or administrative rules specific to the regulation of athlete agents.

Minnesota:

Minnesota does not have administrative rules for the regulation of athlete agents but does adopt the RUAAA as Wisconsin does (MN Stats. § 81A).

Summary of factual data and analytical methodologies:

2019 Wisconsin Acts 143 and 180 require that the department update its rules relating to athlete agents to implement the statutory changes enacted by these acts.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

The rule draft was posted on the department's website for 14 days in order to solicit comments from small businesses on potential economic impact.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis are attached.

Effect on small business:

No impact.

Agency contact person:

Jon Derenne, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-266-0955; email at DSPSAdminRules@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Jon Derenne, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, WI 53708-8366, or by email to DSPSAdminRules@wisconsin.gov. The public hearing on this rule was held on August 28, 2020.

TEXT OF RULE

SECTION 1. SPS 150.02 is repealed and recreated to read:

SPS 150.02 Definitions; generally. As used in chs. SPS 150 to 154:

- (1) “Athlete agent” has the meaning given in s. 440.99 (2), Stats.
- (2) “Department” means the department of safety and professional services.
- (3) “Educational institution” has the meaning given in s. 440.99 (4r), Stats.
- (4) “Registration” has the meaning given in s. 440.99 (9), Stats.
- (5) “State” has the meaning given in s. 440.99 (10), Stats.
- (6) “Student athlete” has the meaning given in s. 440.99 (11), Stats.

SECTION 2. SPS 151.01 is repealed and recreated to read:

SPS 151.01 Definitions; this chapter. As used in this chapter:

- (1) “Former service member” has the meaning provided in s. 440.09 (1) (a), Stats.
- (2) “Service member” has the meaning provided in s. 440.09 (1) (b), Stats.
- (3) “Spouse” has the meaning provided in s. 440.09 (1) (c), Stats.

SECTION 3. SPS 151.02 is repealed and recreated to read:

SPS 151.02 Applications. An applicant for an athlete agent certificate of registration under s. 440.9915 (1), Stats. shall submit all the following to the department:

- (1) A completed application form provided by the department.
- (2) The fee required under s. 440.03 (9) (a), Stats.
- (3) For applicants who have a pending criminal charge or have been convicted of a crime, subject to ss. 111.321, 111.322, and 111.335, Stats., all related information necessary for the department to determine whether the circumstances of the pending criminal charge or conviction are substantially related to the practice of an athlete agent.

Note: Application forms are available on the department’s website at <https://dsps.wi.gov/pages/Home.aspx>, or by request from the Department of Safety and Professional Services, P.O. Box 8935, Madison, WI 53708, or call (608) 266–2112.

SECTION 4. SPS 151.03 is repealed.

SECTION 5. SPS 151.04 is repealed and recreated to read:

SPS 151.04 Reciprocity; generally. The department shall issue a certificate of registration to an applicant registered as an athlete agent in another state if the applicant submits all the following:

- (1) A copy of the application for registration in the other state.
- (2) A statement identifying any material change in information or verifying there is no material change in information on the application for registration in the other state.
- (3) A copy of the certificate of registration from the other state.
- (4) The fee required under s. 440.05 (2), Stats.
- (5) Documentary evidence that the application and registration requirements of the other state are substantially similar to or more restrictive than the requirements for registration under s. 440.992, Stats.
- (6) Documentary evidence that the registration of the other state has not been revoked or suspended and no action involving the individual's conduct as an athlete agent is pending against the individual or the individual's registration in any state.

Note: Application forms are available on the department's website at <https://dsps.wi.gov/pages/Home.aspx>, or by request from the Department of Safety and Professional Services, P.O. Box 8935, Madison, WI 53708, or call (608) 266-2112.

SECTION 6. SPS 151.05 is repealed.

SECTION 7. SPS 151.06 and 151.07 are created to read:

SPS 151.06 Reciprocity for service members, former service members, and spouses of service members or former service members. The department shall issue a certificate of registration to a service member, former service member, or spouse of a service member or former service member who resides in this state and submits all the following:

- (1) A completed reciprocity form provided by the department.
- (2) The fee specified under s. 440.05 (2), Stats.
- (3) Documentary evidence satisfactory to the department that the applicant holds a license, certification, registration, or permit that was granted by a governmental authority in a jurisdiction outside this state that qualifies the applicant to perform the acts authorized under a certification of registration as an athlete agent.
- (4) Documentary evidence satisfactory to the department that the applicant is in good standing with the governmental authorities in every jurisdiction outside this state that have granted the individual a license, certification, registration, or permit that qualifies the individual to perform acts authorized under a certification of registration as an athlete agent.

Note: Application forms are available on the department's website at <https://dsps.wi.gov/pages/Home.aspx>, or by request from the Department of Safety and Professional Services, P.O. Box 8935, Madison, WI 53708, or call (608) 266-2112.

SPS 151.07 Renewal.

- (1) An athlete agent registered under ss. SPS 151.02, 151.04, or 151.06 may renew a certificate of registration by submitting a completed renewal application form provided by the department and the fee required under s. 440.03 (9) (a), Stats.
- (2) An athlete agent registered under s. SPS 151.06 may renew a certificate of registration by submitting all the following:
 - (a) A copy of the application for renewal in the other state.
 - (b) A copy of the renewed certificate of registration from the other state.
 - (c) The fee required under s. 440.03 (9) (a), Stats.
- (3) An athlete agent registered under s. SPS 151.04 may renew a certificate of registration by submitting the documentation required in sub. (2), and if the following are true:
 - (a) The application and registration requirements of the other state are substantially similar to or more restrictive than the requirements for registration under s. 440.992, Stats.
 - (b) The registration of the other state has not been revoked or suspended and no action involving the individual's conduct as an athlete agent is pending against the individual or the individual's registration in any state.

Note: Application forms are available on the department's website at <https://dsps.wi.gov/pages/Home.aspx>, or by request from the Department of Safety and Professional Services, P.O. Box 8935, Madison, WI 53708, or call (608) 266-2112.

SECTION 8. Chapter SPS 152 and 153 are repealed.

SECTION 9. SPS 154.01 is repealed and recreated to read:

SPS 154.01 Unprofessional conduct. The following, or aiding or abetting the following, without limitation because of enumeration, constitutes unprofessional conduct by a registered athlete agent or an applicant for registration:

- (1) An administrative or judicial determination that the registered athlete agent or applicant has made a false, misleading, deceptive, or fraudulent representation.
- (2) Any instance in which the conduct of the registered athlete agent or applicant has resulted in the imposition of a sanction, suspension, or declaration of ineligibility to participate in an interscholastic or intercollegiate athletic event on a student athlete or educational institution.
- (3) Any sanction, suspension, or disciplinary action taken against the registered athlete agent or applicant arising out of occupational or professional conduct.
- (4) Failing to submit an official form of notice, judgment or other record from an administrative, judicial or other governing body forum within 30 days if the administrative judicial or other governing body forum has made a determination or issued a sanction, suspension, or disciplinary action against the registrant or the applicant as described in subs. (1), (2), and (3) of this section.
- (5) Subject to ss. 111.321, 111.322 and 111.335, Stats., for a registered athlete agent or an applicant to have been convicted of a felony in this state or a crime in another state that if committed in this state, would be a felony.
- (6) If a registrant or an applicant is convicted of a crime, failing to submit to the department within 30 days a copy of the complaint or other information which describes the nature of the crime and the judgment of conviction.

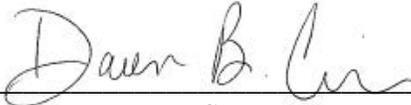
- (7) Making a materially false, misleading, deceptive, or fraudulent representation in the application for athlete agent registration.
- (8) Engaging in conduct that would disqualify the applicant or registered athlete agent from serving in a fiduciary capacity.
- (9) Having a registration or licensure as an athlete agent suspended, revoked or limited because of professional discipline in this state or any other state.
- (10) Having a registration or licensure as an athlete agent denied or having a renewal of registration or licensure refused in any state.
- (11) Having engaged in conduct that significantly adversely reflects on the applicant's or registered athlete agent's credibility, honesty, or integrity.
- (12) Knowingly aiding, assisting, or advising in the unlawful practice of an athlete agent.
- (13) Engaging in the practice as an athlete agent without a certificate of registration except as provided in s. 440.991 (2), Stats.
- (14) Violating any of the provisions of ss. 440.994, 440.9945, 440.995, 440.9955, or 440.996, Stats.

SECTION 10. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

This Proposed Order of the Department of Safety and Professional Services is approved for submission to the Governor and Legislature.

Dated 9/11/2020


Secretary

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date July 23, 2020
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) SPS 150 to 154	
4. Subject Athlete agent registration.	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule The athlete agent statutes were revised when the legislature adopted the RUAAA this legislative session. The administrative rule section for athlete agents must be revised to reflect applicable statutory changes as well as to remove obsolete and duplicative rule provisions. For example, the rules list fee amounts and reference processes that are either no longer used or are covered by other sections of the SPS code.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The rule draft was posted on the department's website for 14 days to solicit economic impact comments from these entities. No comments were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. The rule draft was posted on the department's website for 14 days to solicit economic impact comments from these entities. No comments were received.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) None.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of implementing the rule is to ensure that the administrative rules relating to athlete agent registration reflect current agency practice, and appropriately reflect and complement the statutory requirements. Not implementing the rule will result in stakeholder confusion as to process and what the law requires of them to register as an athlete agent.	
16. Long Range Implications of Implementing the Rule The long range implication of implementing the rule is that the athlete agent rules will accurately reflect current agency practices and more appropriately complement the statutes.	
17. Compare With Approaches Being Used by Federal Government	

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

The Sports Agent Responsibility and Trust Act regulates athlete agents at the federal level.

Consumer Protection Provisions: 15 U.S.C. § 7802 to 7804

Athlete agents are prohibited from using false or misleading promises or things of value to persuade an athlete into signing an agency contract. It also requires a disclosure be provided to the athlete or his parent/guardian, and be acknowledged, that signing an agency contract may terminate the athlete's eligibility to participate in college athletics, and that the athlete and the athlete agent must both inform the athletic director of the athlete's institution of the contract within 72 hours. Further, athlete agents are prohibited from pre or post-dating a contract. Enforcement is carried out under the Federal Trade Commission Act or may be investigated, and violations pursued by a state attorney general.

Protections for Educational Institutions: 15 U.S.C. § 7805

Educational institutions affected by an agency agreement may sue athlete agents for damages.

Sense of Congress Declaration: 15 U.S.C. § 7807

Congress recommends that states adopt the UAAA.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois:

Illinois has repealed its athlete agent act and no longer requires or issues a credential for the athlete agent profession.

Iowa:

Iowa does not have administrative rules regulating athlete agents but adopts the UAAA in statute (IA Stats. § 9A.114).

Michigan:

Michigan does not have statutes or administrative rules specific to the regulation of athlete agents.

Minnesota:

Minnesota does not have administrative rules for the regulation of athlete agents but does adopt the RUAAA as Wisconsin does (MN Stats. § 81A).

19. Contact Name Jon Derenne, Administrative Rules Coordinator	20. Contact Phone Number (608) 266-0955
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This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
-