

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 28, 2011**

**TO:** Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB1123** by Dutton (Relating to the regulation of athlete agents; providing administrative and criminal penalties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require a registered athlete agent (agent) to first be certified as an agent by a national professional sports association (NPSA).

An applicant for registration or renewal as an agent would be required to provide the name and address of each NPSA that has certified the applicant as an agent on a form prescribed by the Secretary of State (SOS).

An agent, before contracting an athlete or entering into an agent contract with an athlete in Texas, would be required to deposit with SOS a surety bond in the amount of \$50,000 payable to the state and conditioned on certain criteria.

The bill would prohibit an agent from furnishing a thing of value to an athlete before the athlete completes the athlete's last intercollegiate sports contest and would allow SOS to assess an administrative penalty, not to exceed \$50,000, if this is violated. The bill would also make this offense a third degree felony.

SOS would be required to send notice of an athlete agent's conviction of certain offenses to each NPSA that has certified the agent.

The bill would repeal Section 2051.153 of the Occupations Code related to exempting agents, who enter into only an agent contract with an athlete, from certain bond requirements.

The change in law made by this bill would only apply to an offense committed on or after the effective date of the bill.

The bill would take effect on September 1, 2011.

According to SOS, there were 80 registered agents on February 1, 2011 and most of the agents are currently certified by one or more NPSAs. SOS assumes that there may be a small decrease in the number of agents due to the increase in liability insurance and since agents for collegiate sports that do not have a certifying NPSA would no longer be allowed to register.

It is assumed that the costs associated with modifications to existing SOS system applications, revisions to forms, rules, and publications, and notifications to each NPSA of agent convictions could be absorbed within existing resources.

It is not known how many administrative penalties and criminal offenses would occur, but it is assumed that there would be no significant fiscal implication.

It is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 307 Secretary of State

**LBB Staff:** JOB, AG, MS, BTA