
College & Workforce Development Committee

HB 1084

Brief Description: Concerning unfair practices involving compensation of athletes in higher education.

Sponsors: Representatives Stokesbary and Young.

Brief Summary of Bill

- Allows students to receive compensation for services provided, including for the use of the student's name, image, or likeness, and be represented by an agent for any purpose.
- Prohibits a person from suspending a student or an institution of higher education from competing in an intercollegiate athletic competition because the student is receiving compensation or is represented by an agent.
- Makes a violation of the prohibition a Consumer Protection Act violation.

Hearing Date:

Staff: Elizabeth Allison (786-7129).

Background:

National Collegiate Athletic Association.

The National Collegiate Athletic Association (NCAA) is a non-profit organization that governs intercollegiate athletics across various sports. It is composed of members from colleges, universities, athletic conferences, and other affiliated organizations. The NCAA is governed by member representatives that vote on proposed rules. Rules may vary across the NCAA's divisions, of which there are three.

The NCAA regulates many aspects of college sports including eligibility criteria for student-athletes, recruitment, and official rules of play. In general, the NCAA's amateurism rules

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

prohibit student-athletes from being paid for their athletic abilities. While student-athletes historically were prohibited from receiving compensation for the use of their names, images, and likenesses, the NCAA Board of Governors recently voted to change this prohibition. The Board directed all divisions to consider updating bylaws and policies regarding compensation of student-athletes for the use of their names, images, and likenesses. Student-athletes are still prohibited from receiving compensation for athletic performance.

Consumer Protection Act.

The state's Consumer Protection Act (CPA) provides that unfair methods of compensation and unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

A person injured by a violation of the CPA may bring a private cause of action for injunctive relief and the recovery of actual damages and reasonable attorneys' fees. In addition, the CPA allows the Attorney General to bring a CPA action in the name of the state or on behalf of persons residing in the state seeking to prevent or restrain violations of the act and may seek restoration for persons injured by violation of the CPA.

Summary of Bill:

Any student may receive compensation for services provided, including payment for the use of the student's name, image, and likeness, as long as the compensation is commensurate with the market value of the services provided. A student may also agree to be represented by an agent for any purpose.

No person may:

- prohibit or suspend any student from competing in an intercollegiate competition or otherwise penalize a student for receiving compensation or represented by an agent;
- prohibit or suspend an institution of higher education's athletic team from competing in an intercollegiate athletic competition, or otherwise penalize an institution, because a student enrolled at the institution is receiving compensation or representation by an agent;
- request or require that an institution of higher education prohibit a student from receiving compensation or having an agent in order for the institution's students or athletic teams to be or remain eligible to compete in intercollegiate athletic competitions;
- discipline an institution of higher education because the institution permitted a student who received compensation or was represented by an agent to participate in an intercollegiate athletic competition; or
- discipline an institution of higher education for not permitting a student to participate in intercollegiate athletic competitions because the student received compensation or was represented by an agent.

"Discipline" includes terminating or suspending an institution of higher education's membership and prohibiting other members from participating in intercollegiate athletic competitions with an institution.

A violation of the prohibitions above are declared unfair and deceptive acts in trade or commerce and unfair methods of competition for the purposes of the Consumer Protection Act.

Appropriation: None.

Fiscal Note: Requested on January 27, 2020.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.