

# HOUSE BILL REPORT

## HB 1084

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**As Reported by House Committee On:**  
College & Workforce Development

**Title:** An act relating to unfair practices involving compensation of athletes in higher education.

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

**Sponsors:** Representatives Stokesbary and Young.

**Brief History:**

**Committee Activity:**

College & Workforce Development: 1/23/19, 1/28/20, 2/4/20 [DPS].

**Brief Summary of Substitute Bill**

- Prohibits institutions of higher education and athletic associations from preventing student athletes from receiving compensation for the use of the student athlete's name, image, or likeness.
- Allows student athletes to obtain representation.

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### HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Bergquist, Kraft, Mead, Paul, Pollet, Ramos, Rude, Sells, Slatter, Sutherland and Young.

**Staff:** Elizabeth Allison (786-7129).

**Background:**

National Collegiate Athletic Association.

The National Collegiate Athletic Association (NCAA) is a nonprofit 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

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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 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 (Board) 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.

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### **Summary of Substitute Bill:**

Institutions of higher education may not uphold a rule, standard, or other requirement that prevents a student athlete competing in intercollegiate athletics from earning compensation for use of the student's name, image, or likeness.

An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including the National Collegiate Athletic Association (NCAA), may not prevent a student athlete from earning compensation for the use of the student athlete's name, image, or likeness, or prevent an institution from participating in intercollegiate athletics because a student athlete at the institution is receiving compensation for the student athlete's name, image, or likeness.

Neither an institution nor an athletic conference or organization with authority over intercollegiate athletics may:

- provide prospective student athletes with compensation in relation to the prospective student athlete's name, image, or likeness; or
- prevent a student athlete from obtaining professional representation in relation to contracts or legal matters.

Any person providing professional representation to the student athlete must be licensed.

A grant or scholarship applied toward the cost of attendance from the institution of higher education is not compensation and may not be revoked as a result of the student receiving compensation for the student's name, image, or likeness.

A student athlete may not enter into a contract for the use of the student's name, image, or likeness if it conflicts with a provision of the student athlete's team contract. A student athlete who enters a contract providing compensation for the use of the student's name, image, or likeness must disclose the contract to the institution. An institution asserting a conflict must disclose to the student athlete the contractual provisions that are in conflict. A team contract may not prohibit a student athlete from using the student athlete's name, image, or likeness if the student athlete is not engaged in official team activities.

## **Substitute Bill Compared to Original Bill:**

The substitute bill:

- defines "institution of higher education" to include only the public and private nonprofit four-year institutions (institutions);
- prohibits an institution of higher education from upholding any rule, requirement, standard, or other limitation that prevents a student participating in intercollegiate athletics from earning compensation for the use of the student's name, image, or likeness;
- prohibits an athletic association, conference, or other organization with authority over intercollegiate athletics, including the National Collegiate Athletic Association (NCAA), from preventing a student participating in intercollegiate athletics from earning compensation for the use of the student's name, image, or likeness;
- prohibits an athletic association, conference, or other organization with authority over intercollegiate athletics, including the NCAA, from preventing an institution from participating in intercollegiate athletics as a result of a student receiving compensation for the use of the student's name, image, or likeness;
- prohibits an institution, athletic association, conference, or other organization with authority over intercollegiate athletics from providing a prospective student athlete with compensation in relation to the prospective student athlete's name, image, or likeness;
- prohibits an institution, athletic association, conference, or other organization with authority over intercollegiate athletics from preventing a student athlete from obtaining professional representation in relation to contracts or legal matters;
- specifies that only licensed persons may provide professional representation for student athletes, including athlete agents and attorneys;
- requires athlete agents representing student athletes to comply with the federal Sports Agent Responsibility and Trust Act; and
- specifies that an institutional grant or scholarship applied toward a student athlete's cost of attendance is not considered compensation and may not be revoked as a result of a student athlete earning compensation or obtaining legal representation.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on January 1, 2023.

### **Staff Summary of Public Testimony:**

(In support) After California passed the Fair Pay to Play Act, the National Collegiate Athletic Association (NCAA) changed its prohibition on college athletes receiving compensation for the use of their names, images, and likenesses. This bill mirrors California's version very closely. The bill will unleash the free market to avoid monopolies and improve the lives of historically marginalized students. Every other student can use their name, image and likeness, but a student competing in college athletics cannot. Students should have this

ability by right. This bill tells the NCAA that Washington takes the NCAA's announcement to change its prohibition on student-athlete compensation seriously. The intent is to honor the sacrifice athletes give. Many athletes are fathers and do not have resources. Some college athletes must resort to stealing due to lack of resources. The NCAA rules restricting athletes are wage theft. A player saw his likeness on banners and never received compensation, and could not host events, do autographs, or show up to award ceremonies for money.

(Opposed) Community college athletes are nowhere near high-powered athletes and get along on shoestring budgets. This is the one opportunity to play sports in a smaller school. There is concern that institutions are not set up for implementing aspects of the bill because they do not have separate compliance officers. Every Division I and Division II school has a compliance manager, but community colleges use full-time faculty. The Fair Pay to Play Act has language specific to community colleges and charged the chancellor of community college conferences to put together a task force to see how this would work for community colleges. The things proposed in this bill will be very difficult at the community college level.

(Other) The national landscape has changed. The laws should apply equally to institutions. Change is needed but the form needs to be applied consistently across the country. This is a national issue needing a national solution, not a patchwork of state laws. The bill could contribute to the growing disparity between male and female athletes and may also exacerbate issues between those who are receiving full-ride scholarships and those who are not.

**Persons Testifying:** (In support) Representative Stokesbary, prime sponsor; and Riall Johnson, National Football League Alumni Association.

(Opposed) Marco Azurdia, Northwest Athletic Conference and the State Board for Community and Technical Colleges.

(Other) Joe Dacca, University of Washington; Chris Mulick, Washington State University; and Spencer Lively, Associated Students of the University of Washington.

**Persons Signed In To Testify But Not Testifying:** None.