

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3783-01  
Bill No.: HB 1748  
Subject: Higher Education; Athletics; Department of Higher Education  
Type: Original  
Date: February 20, 2020

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Bill Summary: This proposal enacts provisions governing compensation for student athletes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
College & University Funds	\$0	\$0	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 178.897 Community College Athlete Working Group

Officials from the **Department of Higher Education and Workforce Development** and the **Missouri House of Representatives** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Missouri Senate** assume, as written, the proposal does not allow for compensation to the members of the working group. Therefore, the Missouri State Senate anticipates no fiscal impact.

#### Section 173.280 Student Athlete Compensation

Officials from the **University of Missouri System** assume this proposal could result in additional costs to the University of an undetermined amount.

Upon further inquiry, the **University of Missouri System** indicated there could be costs related to contract review as well as training costs for staff.

Officials from **University of Central Missouri** assume there would be an unknown impact.

Officials from **Northwest Missouri State University** assume the cost would range from none to very little.

Officials from the **State Technical College of Missouri** assume the proposal will have no fiscal impact on their organization.

**Oversight** will show a range of impact from \$0 (the costs are minimal and can be absorbed) to an unknown cost to the Colleges and Universities.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>COLLEGES &amp; UNIVERSITIES</b>			
<u>Cost - contract review and staff training -</u> §173.280	<u>\$0</u>	<u>\$0</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON COLLEGES &amp; UNIVERSITIES</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 to (Unknown)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits any public or private institution of higher education, athletic association, conference, or other group with authority over intercollegiate athletics including the National Collegiate Athletic Association (NCAA) from preventing a student from earning compensation for the student's name, image, likeness rights, or athletic reputation. The bill also prohibits any of these entities from providing a prospective student athlete with compensation for the athletes name, image, or likeness.

The bill further limits these entities from preventing a student from participating in intercollegiate athletics if the student earns compensation, or from hiring professional representation as outlined in the bill.

The bill limits student athletes from entering into any contract for compensation that would be in conflict with a provision of the athlete's team contract. This section has a delayed effective date of January 1, 2023 and applies only to contracts after January 1, 2023 (Section 173.280 RSMo).

The bill also creates a "community college athlete name, image, and likeness working group" to include one member appointed by the Speaker of the House of Representatives, one member appointed by the Chair of the Senate Rules, Joint Rules, Resolutions and Ethics committee, and

FISCAL DESCRIPTION (continued)

additional members as specified in the bill with the purpose to review existing Missouri Community College Athletic Conference (MCCAC) bylaws, along with federal and state laws regarding college athlete's use of their name, image, and likeness for compensation. The working group will present a report of findings to the MCCAC and the General Assembly on or before December 1, 2021. This section expires on January 1, 2025 (Section 178.897).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development  
Missouri Senate  
Missouri House of Representatives  
University of Missouri System  
Northwest Missouri State University  
University of Central Missouri  
State Technical College of Missouri



Julie Morff  
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February 20, 2020



Ross Strope  
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