## FIRST REGULAR SESSION HOUSE COMMITTEE SUBSTITUTE FOR

## **HOUSE BILL NO. 1346**

## 102ND GENERAL ASSEMBLY

2631H.05C

DANA RADEMAN MILLER, Chief Clerk

## AN ACT

To repeal section 173.280, RSMo, and to enact in lieu thereof one new section relating to compensation of student athletes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 173.280, RSMo, is repealed and one new section enacted in lieu 2 thereof, to be known as section 173.280, to read as follows:

173.280. 1. As used in this section, the following terms mean:

- 2 "Postsecondary educational institution", any campus of a public or private institution of higher education in this state that is subject to the coordinating board for higher education under section 173.005:
  - (2) "Student athlete", an individual who is eligible to participate in, participates in, or has participated in an intercollegiate sport for a postsecondary educational institution. Student athlete shall not be construed to apply to an individual's participation in a college intramural sport or in a professional sport outside of intercollegiate athletics;
- 9 (3) "Third party", any individual or entity, including any athlete agent, other than a postsecondary educational institution, athletic conference, or athletic association. 10
- 2. (1) No postsecondary educational institution shall uphold any rule, requirement, 12 standard, or other limitation that prevents a student of that institution from fully participating in intercollegiate athletics without penalty and earning compensation as a result of the use of the student's name, image, likeness rights, or athletic reputation. A student athlete earning compensation from the use of a student's name, image, likeness rights, or athletic reputation shall not affect such student athlete's grant-in-aid or stipend eligibility, amount, duration, or 16
- 17 renewal.

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EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- (2) No postsecondary educational institution shall interfere with or prevent a student from fully participating in intercollegiate athletics or obtaining professional representation in relation to contracts or legal matters, including, but not limited to, representation provided by athlete agents, financial advisors, or legal representation provided by attorneys.
- 3. A grant-in-aid or stipend from the postsecondary educational institution in which a student is enrolled shall not be construed to be compensation for use of the student's name, image, likeness rights, or athletic reputation for purposes of this section, and no grant-in-aid or stipend shall be revoked or reduced as a result of a student earning compensation under this section.
- 4. (1) No student athlete shall enter into an apparel, equipment, or beverage contract providing compensation to the athlete for use of the athlete's name, image, likeness rights, or athletic reputation if the contract requires the athlete to display a sponsor's apparel, equipment, or beverage or otherwise advertise for the sponsor during official team activities if such provisions are in conflict with a provision of the postsecondary institution's current licenses or contracts.
- (2) (a) Except with the prior written consent of the student athlete's postsecondary educational institution, a student athlete shall not enter into a contract for compensation for the use of such student athlete's name, image, likeness rights, or athletic reputation, if such institution determines that a term of the contract conflicts with a term of a contract to which such institution is a party.
- (b) A postsecondary educational institution or any officer, director, or employee of such institution, including but not limited to a coach, member of the coaching staff, or any individual associated with the institutions athletic department, may identify or otherwise assist with opportunities for a student athlete to earn compensation from a third party for the use of the student athlete's name, image, likeness rights, or athletic reputation, provided that such individual shall not:
  - a. Serve as the athlete's agent;
- b. Receive compensation from the student athlete or a third party for facilitating or enabling such opportunities;
- c. Attempt to influence an athlete's choice of professional representation related to such opportunities;
  - d. Attempt to reduce such athlete's opportunities from competing third parties; or
- 60 e. Be present at any meeting between a student athlete and a third party who provides for a student athlete's compensation, where the student athlete's name, image, likeness rights, or athletic reputation contract for compensation is negotiated or completed.
  - (3) Before any contract for compensation for the use of a student athlete's name, image, likeness rights, or athletic reputation is executed, and before any compensation is

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provided to the student athlete in advance of a contract, the student athlete shall disclose that contract to his or her postsecondary educational institution in a manner prescribed by such 57 institution.

- (4) A postsecondary educational institution or any officer, director, or employee of 59 such institution or entity shall not compensate a student athlete, prospective student athlete, or the family of such individuals, or cause compensation to be directed to a prospective student athlete, or the family of a student athlete or the family of a prospective student athlete, for the use of such student athlete or prospective student athlete's name, image, likeness rights, or athletic reputation.
  - (5) (a) As used in this subdivision, "unique identifier" means any of the following developed or adopted for marketing or promotional purposes by a postsecondary educational institution or a third party:
- 67 a. Seal;
- b. Logo; 68
- 69 c. Emblem;
- 70 d. Motto;
- 71 e. Special symbol;
- 72 f. Institutional colors;
- 73 g. Modifier or descriptor;
- 74 h. Design;
  - i. Patentable or copyrightable item, material, or information; or
- 76 j. Other item, material, or information that identifies and is recognizable as unique to such postsecondary educational institution or third party. 77
  - (b) A postsecondary educational institution or a third party shall develop and adopt a policy and process for granting to a student athlete a license to use such institution's or third party's unique identifiers when earning or attempting to earn compensation from the use of such student athlete's name, image, likeness rights, or athletic reputation.
  - (c) A postsecondary educational institution or a third party may charge a reasonable fee for a license to use a unique identifier under this subdivision.
  - (d) A postsecondary educational institution or a third party may impose requirements that a student athlete granted a license under this subdivision refrain from using such unique identifier in a manner that:
- 88 a. Is reasonably considered to be inconsistent with such institution's or third 89 party's values or mission;
  - b. Adversely affects such institution's or third party's image;

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- 91 c. Negatively impacts or inappropriately reflects upon the reputation or moral 92 or ethical standards of such institution or third party;
- Violates such institution's or third party's code of conduct or similar 94 requirements; or
- 95 e. Conflicts with a provision of such institution's or third party's current licenses 96 or contracts.
  - 5. No contract of a postsecondary educational institution's athletic program shall prevent a student athlete from receiving compensation for using the student athlete's name, image, likeness rights, or athletic reputation for a commercial purpose when the athlete is not engaged in official mandatory team activities that are recorded in writing and can be made publicly available upon request.
  - 6. (1) If a postsecondary educational institution writes, produces, collects, assembles, creates, retains, or maintains the terms of a student athlete's contract or proposed contract providing compensation to such student athlete for the use of such student athlete's name, image, likeness, or athletic reputation, such postsecondary educational institution shall keep such contract terms confidential.
  - (2) The terms of a contract or proposed contract providing compensation to a student athlete for the use of such student athlete's name, image, likeness, or athletic reputation shall be deemed a closed record under chapter 610. A postsecondary educational institution subject to this subsection may withhold or refuse to release or otherwise disclose such contract terms without seeking a formal opinion of the attorney general of this state as authorized in section 610.027.
  - 7. (1) No compensation to a student athlete for earning or attempting to earn compensation from the use of such student athlete's name, image, likeness rights, or athletic reputation shall be conditioned on such student athlete's athletic performance. Such compensation may be conditioned on a student athlete's attendance at a particular postsecondary educational institution.
  - (2) A charitable organization that qualifies as an exempt organization under 26 U.S.C. Section 501(c)(3), as amended, shall have the right to compensate a student athlete for the commercial use of the student athlete's name, image, likeness rights, or athletic reputation.
- Postsecondary educational institutions that enter into commercial 122 [<del>6.</del>] **8.** 123 agreements that directly or indirectly require the use of a student athlete's name, image, 124 likeness, or athletic reputation shall conduct [a] at least two financial [development program 125 once per year for their athletes literacy, life skills, and entrepreneurship workshops per 126 academic year.

- 127 (2) [The financial development program] Each workshop shall not include any
  128 marketing, advertising, referral, or solicitation by providers of financial products or services.
  129 [Such program] Each workshop shall, at a minimum, include information concerning
  130 entrepreneurship, financial aid, debt management, and a recommended budget for full and
  131 partial grant-in-aid student athletes based on the current academic year's cost of attendance.
  132 [The] Each workshop shall also include information on time management skills necessary for
  133 success as a student athlete and available academic resources.
  - (3) Postsecondary educational institutions shall help distribute informational materials for such [programs] workshops as needed. The workshops shall not be identical in each academic year.
  - (4) Postsecondary educational institutions shall inform their athletes of such [program] workshop meetings and provide appropriate meeting space. The workshops shall not be conducted in the same semester.
  - [7-] 9. An athletic association, athletic conference, or any other organization with authority over varsity intercollegiate athletics shall not:
  - (1) Prevent a student athlete from receiving compensation for the commercial use of the student athlete's name, image, likeness rights, or athletic reputation under this section;
  - (2) Penalize a student athlete for receiving compensation for the commercial use of the student athlete's name, image, likeness rights, or athletic reputation under this section; or
  - (3) Prevent a postsecondary educational institution from participating in varsity intercollegiate athletics or otherwise penalize a postsecondary educational institution as a result of a student athlete's receipt of compensation for the student athlete's name, image, likeness rights, or athletic reputation under this section.
- **10.** Student athlete representation shall be by attorneys or agents licensed by this 153 state.
- [8:] 11. (1) Any student athlete may bring a civil action against third parties that violate this section or that interfere with such student athlete's earning or attempting to earn compensation from the use of such student athlete's name, image, likeness rights, or athletic reputation for appropriate injunctive relief or actual damages, or both. Such action shall be brought in the county where the violation occurred, or is about to occur, and the court shall award damages and court costs to a prevailing plaintiff.
  - (2) Student athletes bringing an action under this section shall not be deprived of any protections provided under law with respect to a controversy that arises and shall have the right to adjudicate claims that arise under this section.
  - [9.] 12. No legal settlement shall conflict with the provisions of this section.

HCS HB 1346 6

164 [10.] 13. This section shall apply only to agreements or contracts entered into, modified, or renewed on or after August 28, 2021. Such agreements or contracts include, but are not limited to, the national letter of intent, an athlete's financial aid agreement, commercial contracts in the athlete group licensing market, and athletic conference or athletic association rules or bylaws.

- 14. (1) A high school athlete who competes on an interscholastic athletic team in this state that is sponsored by a public school or by a private school whose students compete against a public school's students may earn or attempt to earn compensation from the use of such athlete's name, image, likeness rights, or athletic reputation as provided in this section, subject to the following:
- (a) A high school athlete may discuss earning or attempting to earn such compensation before signing an athletic letter-of-intent or other written agreement to enroll only in a postsecondary educational institution in this state; and
- (b) A high school athlete may earn or attempt to earn such compensation only after signing an athletic letter-of-intent or other written agreement to enroll only in a postsecondary educational institution in this state.
- (2) The discussion of or earning or attempting to earn compensation from the use of such high school athlete's name, image, likeness rights, or athletic reputation as provided in this section shall not be construed to be a violation of the essential rules and regulations a high school student and high schools are required to follow to maintain and protect a high school athlete's high school eligibility to participate in high school athletics in this state.

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