



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 20-123

FISCAL NOTE

Drafting Number: LLS 20-0301 Date: January 31, 2020
Prime Sponsors: Sen. Fields; Bridges Bill Status: Senate Education
Rep. Coleman; Herod Fiscal Analyst: Anna Gerstle | 303-866-4375
Anna.Gerstle@state.co.us

Bill Topic: COMPENSATION & REPRESENTATION OF STUDENT ATHLETES

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill makes changes to state law related to student athlete representation and compensation. The bill increases state workload beginning in FY 2021-22.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

The bill makes changes to state law related to representation and compensation for student athletes, beginning August 31, 2021.

Compensation. The bill prohibits:

- public and private institutions of higher education from upholding any rule, requirement, or standard that prevents a student athlete from earning compensation from their name, image, or likeness, except as required by the rules of an athletic association of which the institution is a member; and
an athletic association from preventing a student athlete from earning compensation based on their name, image, or likeness or preventing an institution from participating in intercollegiate athletics because a student athlete receives such compensation.

Institutions and athletic associations may not compensate or provide remuneration to prospective student athletes. Athletic associations include conferences, the National Collegiate Athletic Association, or other groups with authority over intercollegiate athletics.

The bill specifies that earning compensation based on the use of name, image, or likeness does not affect a student athlete's scholarship eligibility, and an institution may not revoke a scholarship because the student athlete received such compensation or obtained professional or legal representation.

Representation. Institutions and athletic associations may not prevent a student athlete from obtaining professional representation, including by an athlete advisor or an attorney. The bill does not prohibit a student athlete and athlete advisor from meeting at a time and place other than an on-campus athlete agent interview sponsored by an institution.

Contracts. A student athlete may not enter into a contract that conflicts with a team contract. An institution asserting a conflict must disclose to the student athlete or their representation the relevant contractual provisions. Team contracts that are entered into, modified, or renewed after the bill's effective date may not prohibit a student athlete from using their name, image, and likeness for contractual purposes when they are not engaged in official team activities.

A student athlete who enters into a contract providing compensation for use of name, image, and likeness must disclose the contract to the institution's athletic director within 72 hours of entering in the contract, or before the next scheduled athletic event, whichever happens first.

Violations. A violation of the bill's provisions is an unfair trade practice, except that a violation by a student athlete related to contract disclosure or conflicts with team contracts is not an unfair trade practice.

State Revenue

To the extent that the bill increases the number of civil cases filed, state revenue from filing fees to the Judicial Department will increase. Any increase is expected to be minimal. Additionally, violations of the bill may result in civil fine revenue to the General Fund. The fiscal note assumes a high level of compliance by institutions and athletic associations, and that any fine revenue will be minimal.

State Expenditures

Beginning in FY 2021-22, the bill increases state workload for the following state agencies:

- institutions of higher education to modify their policies and practices related to student athlete contracts, compensation, and representation;
- the Department of Law to provide any legal counsel for institutions of higher education; and
- the trial courts in the Judicial Department to handle any additional unfair trade practice claims.

The fiscal note assumes that student athletes, athletic associations, and institutions of higher education will comply with the law and that any increase in workload will be minimal. No change in appropriations is required.

Effective Date

The bill takes effect August 5, 2021, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

District Attorneys
Judicial

Higher Education
Law

Information Technology