

SB 5 A STAFF MEASURE SUMMARY**Carrier:** Sen. Manning Jr, Sen. Courtney**Senate Committee On Rules**

Action Date: 05/25/21
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 3-1-1-0
Yeas: 3 - Burdick, Manning Jr, Wagner
Nays: 1 - Girod
Exc: 1 - Thatcher
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: Leslie Porter, LPRO Analyst
Meeting Dates: 4/8, 5/25

WHAT THE MEASURE DOES:

Permits students participating in intercollegiate sports to earn compensation for use of name, image, or likeness (NIL) and to retain professional representation or athlete agent. Prohibits post-secondary institution of education, athletic association, conference, or organization with authority over intercollegiate sports (PSIE et al) from penalizing or retaliating against student athlete retaining these services. Prohibits student athlete from entering into contract for use of NIL that conflicts with team rules or contract between post-secondary institution of education (PSIE) and third party, except that team rules and contract between PSIE and third party may not prevent student from earning compensation for use of NIL when not engaged in official team activities. Requires student athlete to disclose to PSIE professional representation or athlete agent retained and requires PSIE to disclose to student athlete conflicts of that retention with team rules or contracts with third parties. Prohibits student athlete from retaining professional representative or athlete agent who represented PSIE at any time in preceding four years. Prohibits PSIE et al from compensating prospective or current student athlete for use of NIL. Applicable to contract or agreements entered into on or after July 1, 2021. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Royalty payments
- Certain provisions not supported by National Collegiate Athletic Association
- Intercollegiate sports recruitment efforts
- Support for student athletes
- Initiatives in other states
- Effective date

EFFECT OF AMENDMENT:

Amends definitions. Allows student athlete to receive food, drink, lodging, or medical expenses or insurance coverage from third party as compensation for use of name, image, or likeness (NIL). Removes prohibition in contract between a post-secondary institution of education (PSIE) and third party that prevents a student athlete from earning compensation for use of their NIL from the use of social media when engaged in official team activities. Removes requirement for merchandising agreement entered into by PSIE et al that covers intercollegiate sports team and that includes royalty payments to PSIE et al, to include royalty payments to current members of team and royalty payments plus premium to current or former member of team whose NIL is used.

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BACKGROUND:

On March 31, the Supreme Court of the United States heard oral arguments for case number 20-512: *National Collegiate Athletic Association v. Alston* about limits on compensation for student athletes. The National Collegiate Athletic Association (NCAA) maintains that student athletes should be subject to compensation limits since they are amateur athletes, while student athletes state that they should not be subject to such limits, arguing that the NCAA is operating a business.

Florida recently passed a law allowing student athletes to be paid for the use of their names and images through endorsement and social media platforms, which takes effect July 1, 2021. While currently banned, the NCAA is supportive of rule changes to allow the Florida bill to take effect.

Senate Bill 5 A allows student athletes in Oregon to receive compensation for the use of their names, images, or likeness and to retain professional representation or an athlete agent.