

SB 5 A STAFF MEASURE SUMMARY

Carrier: Rep. Clem

House Committee On Rules**Action Date:** 06/16/21**Action:** Do Pass the A-Eng bill.**Vote:** 7-0-0-0**Yeas:** 7 - Bonham, Drazan, Fahey, Holvey, Salinas, Smith Warner, Zika**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Melissa Leoni, LPRO Analyst**Meeting Dates:** 6/15, 6/16**WHAT THE MEASURE DOES:**

Permits students participating in intercollegiate sports to be compensated for use of name, image, or likeness (NIL) and to retain professional representation or agent. Prohibits governing entities with authority over intercollegiate sports from penalizing or retaliating against student athlete retaining these services. Prohibits student athlete from contracting for use of NIL in conflict with team rules or contract between collegiate institution and third party. Prohibits team rules and third party contracts from preventing student from earning compensation for use of NIL when not engaged in official team activities. Requires student athlete to disclose professional representation and requires collegiate institution to disclose conflicts. Prohibits student from retaining professional representation or agent who represented collegiate institution within preceding four years. Prohibits governing entities from compensating prospective or current student athlete for use of NIL. Applicable on or after July 1, 2021. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Consequences for student athletes from National Collegiate Athletic Association
- Market differences for student athletes
- Not limiting compensation for name, image, or likeness
- State funding for post-secondary education and student athlete benefits
- Ability of all student athletes to monetize social media
- Alignment and comparison with laws being adopted in other states

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

On March 31, the U.S. Supreme Court heard oral arguments in *National Collegiate Athletic Association v. Alston* concerning compensation for student athletes. The National Collegiate Athletic Association (NCAA) maintains that student athletes should continue to be subject to compensation limits since they are amateur athletes, while student athletes argue they should not be subject to such limits and that the NCAA is operating a business generating significant revenue for collegiate institutions derived from the abilities of student athletes.

According to the National Conference of State Legislatures, 19 states have passed legislation to provide for student athletes to receive compensation, including California's Fair Pay to Play Act in 2019. Other states have introduced similar legislation. Provisions vary from state to state, but most generally prevent the NCAA, conferences, and post-secondary institutions from barring student athletes from receiving compensation for the use of their names, images, or likenesses.

Senate Bill 5 A allows student athletes in Oregon to receive compensation for the use of their name, image, or likeness and to retain professional representation.