## SB 1193 -1 STAFF MEASURE SUMMARY

## **Senate Committee On Rules**

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Meeting Dates: 6/12

# WHAT THE MEASURE DOES:

The measure permits colleges and universities to directly pay current or prospective student athletes for the use of their name, image, likeness, or athletic reputation (NIL). It requires contracts with student athletes under the age of 18 to include the written consent of their parent or guardian. It prohibits the National Collegiate Athletic Association (NCAA) or other athletic associations from paying a student athlete for the use of their name, image, likeness, or athletic reputation.

## **ISSUES DISCUSSED:**

Ongoing litigation (House vs. NCAA)

#### **EFFECT OF AMENDMENT:**

-1 The amendment replaces the measure with language that is substantially similar. It adds entities that a post-secondary institution contracts with or creates to operate or control intercollegiate athletic programs to the definition of post-secondary institution. It prevents post-secondary institutions, athletic associations, or conferences from serving as or influencing the selection of an athlete agent for students enrolled, or considering enrollment. The amendment prevents a student from entering a name, image, and likeness (NIL) contract that is longer than the length of the student's participation in intercollegiate sports. It requires written consent of the parent or guardian and prohibits athletic associations or conferences from compensating athletes. The amendment prevents athletic conferences, associations, or organizations from requiring the disclosure in full or part of a student's NIL contract.

## **BACKGROUND:**

In June 2021, the U.S. Supreme Court issued its ruling on *National Collegiate Athletic Association v. Alston*, which upheld the rights of student athletes to receive compensation for the use of their name, image, or likeness (NIL). Prior to this decision, the rules of the National Collegiate Athletic Association (NCAA) restricted student athletes from earning compensation other than the cost of attendance at their college or university.

<u>Senate Bill 5 (2021)</u>, which guarantees student athletes' NIL rights in Oregon, passed in June 2021, simultaneous to the *NCAA v. Alston* ruling and subsequent NCAA policy change. <u>Senate Bill 1505 (2022)</u> added an additional requirement that student athletes receive royalties for the use of their name, image, or likeness on team jerseys, trading cards, or video games. <u>House Bill 4119 (2024)</u> allowed institutions to directly assist student athletes in securing NIL deals and gave liability protections to colleges and universities.

Since 2021, donors and institutions have increased their participation in securing NIL deals and advising student athletes. Donors at institutions across the country have formed institution-specific collectives, which pool donor resources and provide a variety of services to student athletes engaged in NIL deals. There are at least two NIL collectives in Oregon: Dam Nation Collective for Oregon State University (OSU) student athletes, and Division Street for student athletes at the University of Oregon (UO). In addition, Oregon institutions including OSU, UO, and Portland State University offer student athletes mentorship and networking opportunities for NIL activities through their athletic departments.

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A settlement in <u>ongoing lawsuits</u> against the NCAA, proposed in March 2025, allows student athletes to be paid directly by universities and proposes a revenue-sharing framework for schools and athletes. The <u>Judge approved</u> the <u>settlement</u> on June 6, 2025. The settlement allows:

- student athletes to recover damages from NCAA and certain athletic conferences
- the NCAA to adopt rules governing compensation and rosters for the next 10 years
- the NCAA to regulate how the compensation cap will be calculated
- schools to issue scholarships beyond the current limits established by the NCAA
- the NCAA to prohibit athletes from receiving NIL payments from a limited set of third parties
- the NCAA to adopt roster limits for Division I sports