

By: Miles

S.B. No. 421

A BILL TO BE ENTITLED

AN ACT

relating to the compensation and professional representation of student athletes participating in intercollegiate athletic programs at certain public and private institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter 2, Chapter 51, Education Code, is amended by adding Section 51.9246 to read as follows:

Sec. 51.9246. COMPENSATION AND PROFESSIONAL REPRESENTATION OF STUDENT ATHLETES PARTICIPATING IN INTERCOLLEGIATE ATHLETIC PROGRAMS. (a) In this section:

(1) "Athlete agent" has the meaning assigned by Section 2051.001, Occupations Code.

(2) "General academic teaching institution" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

(b) This section applies only to:

(1) a general academic teaching institution; or
(2) a private or independent institution of higher education.

(c) An institution to which this section applies may not:

(1) adopt or enforce a policy, requirement, standard, or limitation that prohibits or otherwise prevents a student athlete participating in an intercollegiate athletic program at the

1 institution from:

2 (A) earning compensation for the use of the
3 student athlete's name, image, or likeness when the student athlete
4 is not engaged in official team activities; or

5 (B) obtaining professional representation,
6 including representation by an athlete agent or attorney, in
7 relation to contracts or other legal matters; or

8 (2) provide a prospective student athlete of an
9 intercollegiate athletic program at the institution with
10 compensation in relation to the prospective student athlete's name,
11 image, or likeness.

12 (d) A scholarship, grant, or similar financial assistance
13 awarded to a student athlete by an institution to which this section
14 applies that covers the student athlete's cost of attendance at the
15 institution is not compensation for purposes of this section.

16 (e) A student athlete participating in an intercollegiate
17 athletic program at an institution to which this section applies
18 may not be disqualified from eligibility for a scholarship, grant,
19 or similar financial assistance awarded by the institution because
20 the student athlete:

21 (1) earns compensation from the use of the student
22 athlete's name, image, or likeness when the student athlete is not
23 engaged in official team activities; or

24 (2) obtains professional representation, including
25 representation by an athlete agent or attorney, in relation to
26 contracts or other legal matters.

27 (f) A team contract of an athletic program at an institution

1 to which this section applies may not prohibit or otherwise prevent
2 a student athlete from using the student athlete's name, image, or
3 likeness for a commercial purpose when the student athlete is not
4 engaged in official team activities.

5 (g) A student athlete participating in an intercollegiate
6 athletic program at an institution to which this section applies:

7 (1) shall promptly disclose to the institution, in the
8 manner prescribed by the institution, any contract entered into by
9 the student athlete for use of the student athlete's name, image, or
10 likeness;

11 (2) may not enter into a contract that provides
12 compensation for the use of the student athlete's name, image, or
13 likeness if any provision of the contract conflicts with a
14 provision of the student athlete's team contract; and

15 (3) may not enter into a contract for the student
16 athlete's representation by an athlete agent unless the athlete
17 agent holds a certificate of registration under Chapter 2051,
18 Occupations Code.

19 (h) An institution to which this section applies that
20 identifies a provision in a contract disclosed to the institution
21 by a student athlete under Subsection (g)(1) that conflicts with a
22 provision in the student athlete's team contract shall promptly
23 disclose the conflict to the student athlete or the student
24 athlete's representative, if applicable.

25 (i) An athletic association, conference, or other group or
26 organization with authority over intercollegiate athletics,
27 including the National Collegiate Athletic Association, may not:

1 (1) prohibit or prevent a student athlete from
2 participating in an intercollegiate athletic program at an
3 institution to which this section applies because the student
4 athlete:

5 (A) earns compensation from the use of the
6 student athlete's name, image, or likeness; or

7 (B) obtains professional representation,
8 including representation by an athlete agent or attorney, in
9 relation to contracts or other legal matters;

10 (2) prohibit or prevent a student athlete
11 participating in an intercollegiate athletic program at an
12 institution to which this section applies from engaging in conduct
13 described by Subdivision (1)(A) or (B); or

14 (3) provide a prospective student athlete of an
15 intercollegiate athletic program at an institution to which this
16 section applies with compensation in relation to the prospective
17 student athlete's name, image, or likeness.

18 SECTION 2. Section 51.9246(f), Education Code, as added by
19 this Act, applies only to a contract entered into, modified, or
20 renewed on or after the effective date of this Act.

21 SECTION 3. This Act takes effect January 1, 2023.