

## **BILL ANALYSIS**

Senate Research Center  
89R16996 BEE-F

H.B. 126  
By: Tepper et al. (Creighton)  
Education K-16  
5/16/2025  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas has enacted name, image, and likeness (NIL) laws in each of the last two sessions to help Texas universities maintain competitiveness with the changing NIL landscape. Since last session, the *Grant House and Sedona Prince v. National Collegiate Athletic Association*, et al. (*House v. NCAA*) lawsuit has reached a preliminary settlement agreement, which will further impact how universities need to respond. In particular, some athletic conferences are implementing new requirements for member institutions based on the terms of the settlement, and universities need to be in compliance.

H.B. 126 seeks to address the changing landscape of NIL in college sports, particularly with the upcoming settlement in *House v. NCAA*. The bill helps Texas universities respond to provisions of the settlement that would allow them to directly compensate their student-athletes and maintain Texas' competitive place among other states' NIL laws.

H.B. 126 amends current law relating to the compensation and professional representation of prospective student athletes and student athletes participating in intercollegiate athletic programs at certain institutions of higher education.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 51.9246, Education Code, by amending Subsections (c) and (g) and adding Subsections (c-2) and (c-3), as follows:

(c) Deletes existing text prohibiting an institution to which Section 51.9246 (Compensation and Professional Representation of Student Athletes Participating in Intercollegiate Athletic Programs) applies from providing or soliciting a prospective student athlete of an intercollegiate athletic program at the institution with compensation in relation to the prospective student athlete's name, image, or likeness. Makes nonsubstantive changes.

(c-2) Provides that this subsection applies only to the extent of a conflict between this section and a contract term, a rule, a regulation, a standard, or any other requirement of or court order applicable to a group or organization with authority over an intercollegiate athletic program at an institution to which this section applies, including an athletic association or an athletic conference. Authorizes an institution to which this section applies, a prospective student athlete, a student athlete participating in an intercollegiate athletic program at an institution to which this section applies, or any other individual or entity, subject to Subsection (c-3), to perform, allow the performance of, or participate in an action authorized or required by:

(1) a group or organization with authority over an intercollegiate athletic program at an institution to which this section applies, including an athletic association or an athletic conference; or

(2) a final court order applicable to a group or organization described by Subdivision (1).

(c-3) Provides that an institution's, individual's, or entity's performance or allowance of performance of or participation in an action authorized by Subsection (c-2) subjects that institution, individual, or entity to any applicable rule, including an enforcement provision, adopted by the group or organization with authority over an intercollegiate athletic program at an institution to which this section applies, including an athletic association or an athletic conference.

(g) Deletes existing text prohibiting a student athlete participating in an intercollegiate athletic program at an institution to which this section applies from entering into a contract for the use of the student athlete's name, image, or likeness if the compensation for the use of the student athlete's name, image, or likeness is provided in exchange for athletic performance or accepting an offer of admission to attend the institution by the institution or in exchange for an act that occurs while the athlete is engaged in an official team activity. Makes nonsubstantive changes.

SECTION 2. Repealers: Sections 51.9246(g-1) (relating to providing that certain activities do not constitute compensation provided by an institution to which this section applies) and 51.9246(j) (relating to prohibiting any individual, corporate entity, or other organization from entering into certain arrangements or using certain inducements), Education Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2025.