

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 1128*

Short Title: Student-Athlete Compensation/Study. (Public)

Sponsors: Representative Hawkins.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Education - Universities, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 18, 2020

A BILL TO BE ENTITLED

AN ACT TO PERMIT A STUDENT-ATHLETE TO RECEIVE COMPENSATION FOR THE USE OF HIS OR HER NAME, IMAGE, AND LIKENESS IN RELATION TO AN ATHLETIC PROGRAM AND TO PROHIBIT CERTAIN CONDUCT IN RESPONSE TO A STUDENT-ATHLETE RECEIVING COMPENSATION OR REPRESENTATION FROM AN AGENT; AND TO ESTABLISH THE STUDY COMMITTEE ON STUDENT-ATHLETE COMPENSATION AND TO PROVIDE FUNDS FOR CONSULTANT SERVICES FOR THE COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 116 of the General Statutes is amended by adding a new Article to read:

"Article 37.

"Student-Athlete Compensation.

"§ 116-400. Findings.

The General Assembly finds that every student-athlete enrolled at an institution of higher education that has an athletic program should have an opportunity to (i) be compensated for the use of his or her name, image, and likeness in relation to an athletic program and (ii) hire an athlete agent or licensed attorney to represent the student-athlete's interests in participating in an athletic program. The General Assembly also finds that protecting student-athletes so that they are not compelled to forfeit this opportunity to be eligible to participate in intercollegiate athletic competitions vitally affects the public interest.

"§ 116-401. Definitions.

The following definitions apply in this Article:

- (1) Athletic program. – A sport program played at the collegiate level for which eligibility requirements for participation by a student-athlete are established by a national association for the promotion or regulation of intercollegiate athletics.
- (2) Institution of higher education. – A constituent institution of The University of North Carolina or a private college or university located in North Carolina.
- (3) Student-athlete. – A student enrolled at an institution of higher education who participates in an athletic program at that institution.

"§ 116-402. Permissible activities for student-athletes; prohibited conduct by other persons.



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1 (2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 HOURS AFTER
2 ENTERING INTO THIS CONTRACT, BOTH YOU AND YOUR ATHLETE AGENT
3 MUST NOTIFY YOUR ATHLETIC ~~DIRECTOR;~~DIRECTOR.

4 (3) YOU WAIVE YOUR ATTORNEY-CLIENT PRIVILEGE WITH RESPECT
5 TO THIS CONTRACT AND CERTAIN INFORMATION RELATED TO ~~IT;~~AND IT.

6 (4) YOU MAY CANCEL THIS CONTRACT WITHIN 14 DAYS AFTER
7 SIGNING IT. ~~CANCELLATION OF THIS CONTRACT SHALL NOT REINSTATE~~
8 ~~YOUR ELIGIBILITY."~~

9 SECTION 3. G.S. 78C-98(b)(6) is repealed.

10 SECTION 4.(a) Establishment. – The North Carolina Study Committee on
11 Student-Athlete Compensation (Committee) is established.

12 SECTION 4.(b) Membership. – The Study Committee shall be composed of 18
13 members as follows:

14 (1) Nine members appointed by the President Pro Tempore of the Senate as
15 follows:

- 16 a. Four persons who are members of the Senate at the time of
17 appointment, at least two of whom represent the minority party.
- 18 b. A parent of a student-athlete.
- 19 c. A student-athlete.
- 20 d. An athletic coach of an institution of higher education.
- 21 e. A representative from the Department of Labor.
- 22 f. A representative from The University of North Carolina System
23 Office.

24 (2) Nine members appointed by the Speaker of the House of Representatives as
25 follows:

- 26 a. Four persons who are members of the House of Representatives at the
27 time of appointment, at least two of whom represent the minority
28 party.
- 29 b. A student-athlete.
- 30 c. A student-athlete agent or attorney representing student-athletes.
- 31 d. A representative from an athletic association.
- 32 e. A representative from the North Carolina Independent Colleges and
33 Universities.
- 34 f. A representative from the Secretary of State's Office.

35 The Committee shall have two cochairs, one designated by the President Pro Tempore
36 of the Senate and one designated by the Speaker of the House of Representatives from among
37 the legislative member appointees. The Committee shall meet upon the call of the cochairs.
38 Vacancies shall be filled by the appointing authority. A quorum of the Committee shall be a
39 majority of the members.

40 SECTION 4.(c) Duties. – The Committee shall study and make recommendations
41 on ensuring implementation of a fair and equitable system of compensation for student-athletes
42 in North Carolina. The Committee shall contract with an independent consultant, as necessary,
43 to gather information and data necessary to study the issues and develop recommendations. In
44 developing recommendations, the Committee shall consider at least the following factors:

- 45 (1) How every student-athlete enrolled at an institution of higher education that
46 has an athletic program should have an opportunity to (i) be compensated for
47 the use of his or her name, image, and likeness in relation to an athletic
48 program and (ii) hire an athlete agent or licensed attorney to represent the
49 student-athlete's interests in participating in an athletic program.
- 50 (2) Whether receiving compensation will impact eligibility for scholarships or
51 other financial assistance for student-athletes.

- 1 (3) Whether further modifications may be required to State law to permit
2 student-athletes to receive compensation.
- 3 (4) Whether there continues to be significant limitations related to rules of athletic
4 associations, conferences, or other groups or organizations with authority over
5 intercollegiate athletics, including the National Collegiate Athletic
6 Association, on student-athletes receiving compensation and potential
7 solutions to existing obstacles for student-athletes receiving compensation in
8 North Carolina.
- 9 (5) Whether any limitations on student-athlete compensation exist in relation to
10 team contracts and if any other guidelines should be imposed on permitting
11 student-athletes to receive compensation.

12 **SECTION 4.(d)** Compensation; Administration. – Members of the Committee shall
13 receive subsistence and travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6,
14 as appropriate. With the prior approval of the Legislative Services Commission, the Legislative
15 Services Officer shall assign professional and clerical staff to assist in the work of the Committee.
16 With the prior approval of the Legislative Services Commission, the Committee may hold its
17 meetings in the State Legislative Building or the Legislative Office Building. The Committee
18 may also meet at various locations around the State in order to promote greater public
19 participation in its deliberations. The Committee, while in the discharge of its official duties, may
20 exercise all the powers provided under the provisions of G.S. 120-19 and G.S. 120-19.1 through
21 G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of
22 the State to provide any information, data, or documents within their possession, ascertainable
23 from their records or otherwise available to them, and the power to subpoena witnesses.

24 **SECTION 5.** Appropriation of Funds. – There is appropriated from the General Fund
25 to the North Carolina General Assembly the sum of ten thousand dollars (\$10,000) to support the
26 Committee's operations, including to cover the expense of contracting with an independent
27 consultant to assist the Committee in preparing recommendations in accordance with the
28 requirements of this section.

29 **SECTION 6.** Report. – The Committee shall report its findings and
30 recommendations to the 2021 Regular Session of the General Assembly upon its convening. The
31 Committee shall terminate June 1, 2021, or upon the filing of its final report, whichever occurs
32 first.

33 **SECTION 7.** Sections 1 through 3 of this act become effective January 1, 2023, and
34 apply to contracts entered into on or after that date. Sections 4 through 6 of this act become
35 effective July 1, 2020. The remainder of this act is effective when it becomes law.