

Senate Bill No. 906

Passed the Senate August 28, 2024

Secretary of the Senate

Passed the Assembly August 26, 2024

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2024, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 67456 of the Education Code, relating to collegiate athletics.

LEGISLATIVE COUNSEL'S DIGEST

SB 906, Skinner. Collegiate athletics: student athlete compensation.

Existing law prohibits California postsecondary educational institutions, and every athletic association, conference, or other group or organization with authority over intercollegiate athletics from (1) providing a prospective student athlete with compensation in relation to the athlete's name, image, likeness, or athletic reputation, (2) preventing a student participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, likeness, or athletic reputation, and (3) preventing a student participating in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters. Existing law prohibits an athletic association, conference, or other group or organization with authority over intercollegiate athletics from preventing a postsecondary educational institution from participating in intercollegiate athletics as a result of the compensation of a student athlete for the use of the student's name, image, likeness, or athletic reputation.

This bill would require a person or entity that provides compensation or any item of value or service in excess of \$5,000 to a student athlete pursuant to the above provisions, or to the student athlete or student athlete's immediate family in connection with, or in anticipation of, the student athlete's participation in a postsecondary educational institution's athletic program, to disclose to the student athlete's postsecondary educational institution, or anticipated postsecondary educational institution, certain information, including, among other information, the amount of compensation paid or the value of any item or service provided to the student athlete or the student athlete's immediate family. The bill would prohibit the person or entity making those disclosures from including the name or any personally identifying information of a student athlete or their immediate family. The bill would

require the postsecondary educational institution to make the total compensation and the value of the items and services publicly available, as provided.

This bill would require a postsecondary educational institution that provides material support or services to a student athlete in connection with the athlete's receipt or potential receipt of compensation or items of value or services for the use of the athlete's name, image, likeness, or athletic reputation to publicly disclose the total value of that material support or services provided to all of the postsecondary educational institution's student athletes, as provided. The bill would also require a postsecondary educational institution that shares revenues with student athletes to make publicly available the total value of the revenues shared with all of the postsecondary educational institution's student athletes, as provided.

To the extent the bill would impose additional duties on community college districts, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The people of the State of California do enact as follows:

SECTION 1. Section 67456 of the Education Code is amended to read:

67456. (a) (1) A postsecondary educational institution shall not uphold any rule, requirement, standard, or other limitation that prevents a student of that institution participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, likeness, or athletic reputation. Earning compensation from the use of a student's name, image, likeness, or athletic reputation shall not affect the student's scholarship eligibility.

(2) An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including, but not limited to, the National Collegiate Athletic Association, shall not prevent a student of a postsecondary educational institution participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, likeness, or athletic reputation.

(3) An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including, but not limited to, the National Collegiate Athletic Association, shall not prevent a postsecondary educational institution from participating in intercollegiate athletics as a result of the compensation of a student athlete for the use of the student's name, image, likeness, or athletic reputation.

(b) A postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics shall not provide a prospective student athlete with compensation in relation to the athlete's name, image, likeness, or athletic reputation.

(c) (1) A postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics shall not prevent a California student participating in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters, including, but not limited to, representation provided by athlete agents or legal representation provided by attorneys.

(2) Professional representation obtained by student athletes shall be from persons licensed by the state. Professional representation provided by athlete agents shall be by persons licensed pursuant to Chapter 2.5 (commencing with Section 18895) of Division 8 of the Business and Professions Code. Legal representation of student athletes shall be by attorneys licensed pursuant to Article 1 (commencing with Section 6000) of Chapter 4 of Division 3 of the Business and Professions Code.

(3) Athlete agents representing student athletes shall comply with the federal Sports Agent Responsibility and Trust Act, established in Chapter 104 (commencing with Section 7801) of Title 15 of the United States Code, in their relationships with student athletes.

(d) A scholarship from the postsecondary educational institution in which a student is enrolled that provides the student with the cost of attendance at that institution is not compensation for purposes of this section, and a scholarship shall not be revoked as a result of earning compensation or obtaining legal representation pursuant to this section.

(e) (1) A student athlete shall not enter into a contract providing compensation to the athlete for use of the athlete's name, image, likeness, or athletic reputation if a provision of the contract is in conflict with a provision of the athlete's team contract.

(2) A student athlete who enters into a contract providing compensation to the athlete for use of the athlete's name, image, likeness, or athletic reputation shall disclose the contract to an official of the institution, to be designated by the institution.

(3) An institution asserting a conflict described in paragraph (1) shall disclose to the athlete or the athlete's legal representation the relevant contractual provisions that are in conflict.

(f) A team contract of a postsecondary educational institution's athletic program shall not prevent a student athlete from using the athlete's name, image, likeness, or athletic reputation for a commercial purpose when the athlete is not engaged in official team activities. It is the intent of the Legislature that this prohibition shall apply only to contracts entered into, modified, or renewed on or after September 1, 2021.

(g) (1) (A) Any person or entity that provides compensation or any item of value or service in excess of five thousand dollars (\$5,000) to a student athlete pursuant to this section, or to the student athlete or the student athlete's immediate family in connection with, or in anticipation of, the student athlete's participation in a postsecondary educational institution's athletic program, shall disclose to the student athlete's postsecondary educational institution, or anticipated postsecondary educational institution, all of the following information:

(i) The amount of compensation or the value of the item or service provided to the student athlete or the student athlete's immediate family.

(ii) The athletic team for which the student athlete currently plays or the team for which it is anticipated the student athlete will play, including whether the team is a men's team, women's team, or mixed-gender team.

(iii) The total amount of compensation and the value of the items and services provided to all student athletes at the postsecondary educational institution each academic year disaggregated by athletic sport and gender of the team.

(B) The person or entity making the disclosures required pursuant to subparagraph (A) shall not include the name or any personally identifying information of a student athlete or their immediate family.

(2) (A) The postsecondary educational institution shall make the information described in subparagraph (B) publicly available.

(B) The total amount of compensation and the value of the items and services provided to student athletes at the postsecondary educational institution each academic year as reported pursuant to clause (iii) of subparagraph (A) of paragraph (1) disaggregated by athletic sport and gender of the team.

(h) A postsecondary educational institution that provides material support or services to a student athlete in connection with the athlete's receipt, or potential receipt, of compensation or items of value or services for the use of the athlete's name, image, likeness, or athletic reputation shall make publicly available the total value of the material support or services provided to all of the postsecondary educational institution's student athletes each academic year, disaggregated by athletic sport and gender of the team.

(i) A postsecondary educational institution that shares revenues with student athletes shall make publicly available the total value of the revenues shared with all of the postsecondary educational institution's student athletes each academic year, disaggregated by athletic sport and gender of the team.

(j) For purposes of this section, the following definitions apply:

(1) "Postsecondary educational institution" means any campus of the University of California, the California State University, the California Community Colleges, an independent institution of higher education, as defined in Section 66010, or a private postsecondary educational institution, as defined in Section 94858.

(2) "Student athlete" means any college student who participates in an intercollegiate athletic program of a postsecondary educational institution, and includes student athletes who participate in basketball, football, and other intercollegiate sports.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Approved _____, 2024

Governor