

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1170H.011
Bill No.: HB 498
Subject: Education, Higher; Athletics; Higher Education and Workforce Development,
Department of
Type: Original
Date: January 20, 2021

Bill Summary: This proposal enacts provisions governing compensation for student athletes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
College & University Funds	\$0	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Attorney General's Office, Missouri Office of Prosecution Services** and **Department of Higher Education and Workforce Development** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Missouri State University, State Technical College of Missouri**, and the **St. Charles Community College** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Northwest Missouri State University** assume there is no impact to our financials. This may affect individual student-athletes if they enter into agreements that utilize their name, image or likeness (NIL). There is some time-management/trainings that need to be held on our part to educate student-athletes on the implications of NIL, but nothing that drastically impacts our normal, yearly operations.

Officials from **University of Central Missouri** assume there would be an indeterminate fiscal impact.

In response to a similar proposal, HB 1748 (2020), officials from the **University of Missouri System** assumed this proposal would result in additional costs to the University of an undetermined amount.

Upon further inquiry, the University of Missouri System indicated there could be costs related to contract review as well as training costs for staff.

Oversight assumes there could be costs related to contract review, staff training and for the implementation of an annual financial development program for student athletes. Oversight will show a range of impact from \$0 (the costs are minimal and can be absorbed) to an unknown cost to Colleges and Universities.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
COLLEGES & UNIVERSITIES			
<u>Costs</u> - contact review, staff training and financial development program - \$173.280	\$0	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON COLLEGES & UNIVERSITIES	\$0	\$0 to (Unknown)	\$0 to (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill enacts provisions governing the compensation for a student athlete. In its main provisions the bill:

- (1) Prohibits public or private institutions of higher education from preventing a student from earning compensation for the student's name, image, likeness rights, or athletic reputation;
- (2) Limits these institutions from preventing a student from participating in intercollegiate athletics if the student earns compensation, or from hiring professional representation as outlined in the bill;
- (3) Prohibits the postsecondary educational institution from revoking or reducing any grant-in-aid or stipend if a student earns compensation;
- (4) Limits a student athlete from entering into any contract for compensation that requires the athlete to display a sponsor's apparel, equipment, beverage, or otherwise advertise for the sponsor during official team activities if it would conflict with the provisions of the athlete's team contract;
- (5) Limits team activities to not exceed 20 hours per week during the season and eight hours per week during the off-season;
- (6) Requires a postsecondary educational institution that enters into a commercial agreement that directly or indirectly requires the use of an athlete's name, image, likeness, or athletic reputation to conduct a financial development program, as specified in the bill, of up to 15 hours once per year for their athletes;
- (7) Specifies that an attorney representing an athlete must be licensed in Missouri;

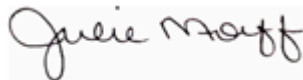
(8) Allows any athlete to bring a civil action for appropriate injunctive relief or actual damages, or both against third parties violating this provision in the county that the violation occurs; and
(9) Specifies that any student and state or local prosecutor seeking to prosecute a violator shall not be deprived of any protections provided under law with respect to a controversy that arises, and shall have the right to adjudicate claims that arise under this provision.

This bill has a delayed effective date of July 1, 2022.

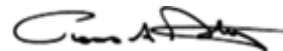
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Higher Education and Workforce Development
Missouri State University
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri
University of Missouri System



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January 20, 2021



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January 20, 2021