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Office of Research
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S.B. 187
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the Senate

Primary Sponsor: Sen. Antani

Local Impact Statement Procedure Required: No

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Highlights

- State institutions of higher education may incur additional administrative costs for oversight of student-athletes who receive compensation from their name, image, or likeness (NIL), as well as any policies or standards the institution establishes for compliance purposes.

Detailed Analysis

The bill

The bill permits intercollegiate athletes enrolled at an institution of higher education in Ohio to earn compensation from their name, image, or likeness (NIL). It also prohibits the institutions, athletic associations, conferences, or any other groups or organizations with authority over intercollegiate athletics from taking certain actions regarding an intercollegiate athlete who earns compensation from the athlete's NIL. Institutions must designate an official to review a student-athlete NIL contract proposal and may establish reasonable policies or standards to address a student-athlete's failure to disclose to the official a proposed contract or any other failure to comply with the bill's requirements. The bill takes effect July 1, 2021, but also declares an emergency so the bill will go into effect immediately if passed as an emergency measure.

State institutions of higher education may incur increased administrative costs for oversight of student-athletes who receive compensation from their NIL, as well as any policies or standards the institution establishes for compliance purposes. Any costs may depend on at least a couple of factors, most notably the number of student-athletes enrolled at a particular institution who enter into a contract for compensation from their NIL and how robust an institution's resources are with respect to overseeing student-athlete compliance with collegiate

athletics rules and regulations. For example, an institution like the Ohio State University may have sufficient staff in place to oversee any additional requirements in the bill, whereas a smaller institution with a small athletic department may need to expand its presence to comply with the bill's requirements.

Other NIL legislation and policy implementation

Several other states across the country have proposed and enacted NIL legislation similar to S.B. 187. According to the National Conference of State Legislatures (NCSL), California passed the first bill in the country permitting interscholastic athletes to receive compensation for their NIL in late 2019.¹ Since then, through June 16, 2021, 39 other states have introduced similar bills, with 18 having passed NIL legislation and four more waiting for their Governor to sign their respective NIL legislation. In Oklahoma and Nebraska, institutions of higher education can authorize their students to receive compensation immediately. Six more states (Alabama, Florida, Georgia, Mississippi, New Mexico, and Texas) will have their NIL laws take effect on July 1, 2021, with the remaining states' laws taking effect on later dates.²

In addition to state-level action, NIL legislation and policy has been proposed at the federal level and implemented by one collegiate athletic conference. At the federal level, several bills have been proposed, including the Student Athlete Level Playing Field Act, which was reintroduced in late April 2021. Generally, the bill would establish a federal standard for interscholastic athlete compensation, create Congressional oversight, and modify federal laws to protect the recruiting process.³ Finally, the National Association of Intercollegiate Athletics (NAIA) became the first college athletic conference to permit its student-athletes to be compensated for the use of their NIL, when it adopted its policy in early October 2020.⁴

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¹ Smalley, Andrew. National Conference of State Legislatures, *Student-Athlete 'Pay for Play' Gets Lawmakers' Attention*, May 24, 2021, <https://www.ncsl.org/research/education/student-athlete-pay-to-play-gets-lawmakers-attention-magazine2021.aspx>.

² Business of College Sports, *Tracker: Name, Image and Likeness Legislation by State*, <https://businessofcollegesports.com/tracker-name-image-and-likeness-legislation-by-state/>, last updated June 15, 2021.

³ Smalley, Andrew. National Conference of State Legislatures, *Student-Athlete 'Pay for Play' Gets Lawmakers' Attention*, May 24, 2021, <https://www.ncsl.org/research/education/student-athlete-pay-to-play-gets-lawmakers-attention-magazine2021.aspx>.

⁴ The NAIA is a governing body of small athletics programs. In Ohio, the NAIA governs the athletic programs of Lourdes University, Mount Vernon Nazarene University, Shawnee State University, University of Northwestern Ohio, University of Rio Grande, and Wilberforce University. https://www.naia.org/general/2020-21/releases/NIL_Announcement.