



[SF 2330](#) – College Athletes, Compensation (LSB5146SV)
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Fiscal Note Version – New

Description

[Senate File 2330](#) permits college athletes to earn compensation from the use of the athlete's name, image or likeness rights, or athletic reputation. The Bill prohibits postsecondary education institutions from preventing such compensation or otherwise penalizing the athlete. The institutions are prohibited from interfering with or preventing athletes from obtaining professional representation in relation to contracts or legal matters, and provides that such representation shall only be provided by persons licensed in the State of Iowa. The Bill addresses conflicts with the athlete's team contract, disclosure of compensation contracts to the postsecondary educational institution, and the confidentiality required of the institution.

The Bill specifies that official mandatory team activities shall not exceed 20 hours per week during the athletic season and 8 hours per week during the off-season.

The Bill authorizes a postsecondary education institution's athletic program to require that a college athlete deposit some or all funds received as compensation into a trust fund, with State taxation deferred, until the athlete is no longer eligible to participate in the athletic program.

If enacted, the Bill would take effect July 1, 2023.

Assumptions

If [SF 2330](#) is enacted, it is assumed that each of the State universities would need to hire one additional compliance staff member to oversee the institution's compliance with the Bill's provisions, as well as any National Collegiate Athletic Association (NCAA) eligibility rules related to name, image, and likeness. The annual salary and benefits for each position is assumed to be \$87,500 in the first year of implementation.

Fiscal Impact

The annual statewide fiscal impact to the three State universities is estimated to be at least \$262,500 beginning in FY 2024 for the cost of compliance staff. There are likely to be additional costs that cannot be estimated at this time, given the complexity of the issues involved, the variety of possible scenarios for how institutions would manage and administer the matter, and the uncertainty of the outcomes of ongoing discussions in the NCAA and in Congress.

Source

Board of Regents

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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