

# AMATEUR ATHLETES

## PROTECTION & COMPENSATION ACT

*Introduced by Senator Jerry Moran (R-Kan.)*

### Section 1: Short Title

This act may be cited as the “*Amateur Athletes Protection and Compensation Act of 2021.*”

### Section 2: Definitions

This section defines terms used throughout the act, including *amateur intercollegiate athlete, covered compensation, name, image, likeness, grant-in-aid* and other terms that carefully and clearly delineate the scope of the act.

### Section 3: Covered Compensation Provided By Unaffiliated Third Parties

Requires any covered compensation to an amateur intercollegiate athlete to be sourced from an “unaffiliated third party” and prohibits these payments from being used to incentivize recruitment or continued participation.

### Section 4: Protections for Amateur Intercollegiate Athletes

Provides amateur intercollegiate athletes control of their name, image, and likeness (NIL) and affords them the freedom to enter into an agency or endorsement contract without being reprimanded. This is accomplished by prohibiting the NCAA, conferences or schools from rendering an amateur intercollegiate athlete ineligible on the basis of entering into a contract or receiving covered compensation.

- An exception to this prohibition provides the NCAA, conferences and schools some flexibility to prohibit participation if the contract of the amateur intercollegiate athlete is in violation of the student code of conduct or rules established by the Amateur Intercollegiate Athletics Corporation (AIAC).

Allows amateur intercollegiate athletes to enter into a professional sports draft and retain their remaining eligibility so long as they do not receive compensation from a professional sports league, a professional sports team, a sports agent, an amateur athlete representative or any individual or entity affiliated with an individual or entity previously described.

Requires schools to honor any “grant-in-aid” for the duration of the time it takes an amateur intercollegiate athlete to finish their undergraduate degree, including former amateur intercollegiate athletes who return to school.

- An exception is provided to schools for amateur intercollegiate athletes who do not remain in good standing, comply with the student code of conduct, meet athletic program standards or transfer schools.
- Explicitly prohibits a school from revoking any grant-in-aid due to an amateur intercollegiate athlete’s athletic ability, performance and contribution to team success or as a result of an injury or illness.

Requires schools to cover the out of pocket medical expenses and secondary medical opinions for any injury or communicable disease that was incurred or acquired while the amateur intercollegiate athlete was participating in an amateur intercollegiate athletic event or competition for former student athletes for a period of either two years, if a school's annual revenue exceeds \$20 million, or four years, if a school's annual revenue exceeds \$50 million. Schools that exceed an annual revenue of \$50 million must also provide health care coverage for these injuries or communicable diseases.

## ●● Section 5: Employment Matters

This section states that an amateur intercollegiate athlete shall not be considered an employee of an institution of higher education, a conference or a national amateur athletic association based on the amateur intercollegiate athlete's participation in amateur intercollegiate athletic events or competitions.

## ●● Section 6: Transparency

Requires schools to disclose to amateur intercollegiate athletes, before he or she commits to an institution, multiple items such as the amount and duration of any grant-in-aid he or she is to receive.

Amends the *Higher Education Act of 1965* to require schools to disclose the total compensation of the athletic director and every athletic coach, as well as the total amount of federal and state funding they receive per year.

## ●● Section 7: Institution Requirements for Federal Student Loan Program

Amends the *Higher Education Act of 1965* to require schools to comply with the rules set out in this Act in order to receive federal education funding.

## ●● Section 8: Establishment of the Amateur Intercollegiate Athletics Corporation

Establishes the Amateur Intercollegiate Athletics Corporation to create and enforce rules and best practices as it relates to NIL; creates and enforces a formal certification process for amateur athlete representatives and enforces this Act.

## ●● Section 9: Enforcement

Provides the Federal Trade Commission (FTC) with the authority to enforce the rules of this Act by treating a violation as an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the *Federal Trade Commission Act*.

## ●● Section 10: Role of National Amateur Athletic Associations

Provides national amateur athletic associations the flexibility to create and enforce rules so long as they are consistent with this Act and rules developed by the AICA.

## ●● Section 11: Reporting

Requires the head of each national amateur athletic association to provide a biannual report to Congress on the issues faced in complying with trends that are developing in response to this Act, as well as recommendations for improvement.

Requires the Comptroller General to conduct an investigation to assess compliance with this Act once every five years

●● **Section 12: Limitation on Liability**

Removes any liability the NCAA, conferences or schools may have had based on actions that violate this Act which were taken before its enactment.

●● **Section 13: Preemption**

Preempts any law, state or local, which is inconsistent with this Act or otherwise governs or regulates the compensation, intellectual property rights, endorsement contracts, employment status or eligibility of amateur intercollegiate athletes.