**South Carolina General Assembly**

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**H. 3546**

**STATUS INFORMATION**

General Bill

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Companion/Similar bill(s): 171

Introduced in the House on February 10, 2015

Currently residing in the House Committee on **Education and Public Works**

Summary: Student Athlete Trust Fund

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/10/2015 House Introduced and read first time ([House Journal‑page 9](file:///h:\HJ%20Archive\2015\02-10-15.docx))

2/10/2015 House Referred to Committee on **Education and Public Works** ([House Journal‑page 9](file:///h:\HJ%20Archive\2015\02-10-15.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=3546&session=121&summary=B) at the website

**VERSIONS OF THIS BILL**

[2/10/2015](file:///p:\pprever\2015-16\3546_20150210.docx)

**A** **BILL**

TO AMEND CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 5 TO CHAPTER 101, TITLE 59 SO AS TO PROVIDE THAT PARTICIPATING INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE SHALL ANNUALLY AWARD STIPENDS TO STUDENT ATHLETES WHO PARTICIPATE IN AN INTERCOLLEGIATE SPORT AND MAINTAIN A GOOD ACADEMIC STANDING DURING THE PREVIOUS YEAR, TO PROVIDE CONDITIONS FOR RECEIPT OF STIPENDS, AND TO DEFINE NECESSARY TERMS; AND BY ADDING ARTICLE 7 TO CHAPTER 101, TITLE 59 SO AS TO PROVIDE THAT PARTICIPATING INSTITUTIONS IN THIS STATE SHALL CREATE A STUDENT ATHLETE TRUST FUND AND FUND THE TRUST WITH A PERCENTAGE OF THE INTERCOLLEGIATE SPORT GROSS REVENUE GENERATED FROM CERTAIN SOURCES, TO PROVIDE THAT FOR EACH YEAR A STUDENT ATHLETE MAINTAINS GOOD ACADEMIC STANDING, FIVE THOUSAND DOLLARS WILL BE DEPOSITED INTO THE FUND ON HIS BEHALF AND THE TOTAL TRUST FUND AMOUNT MAY NOT EXCEED TWENTY‑FIVE THOUSAND DOLLARS FOR EACH STUDENT ATHLETE; TO PROVIDE THAT AFTER FULFILLMENT OF ALL ACADEMIC REQUIREMENTS FOR GRADUATION AND COMPLETION OF A STATE‑APPROVED FINANCIAL LITERACY COURSE, THE PARTICIPATING INSTITUTION SHALL PROVIDE A ONE‑TIME PAYMENT TO EACH STUDENT ATHLETE IN THE FULL AMOUNT DEPOSITED IN THE FUND ON THEIR BEHALF, TO PROVIDE CONDITIONS FOR RECEIPT OF THE TRUST FUND PAYMENT, AND TO DEFINE NECESSARY TERMS.

Whereas, college athletics is an important component of the colleges and universities in the State and across the nation;

Whereas, student athletes participating in college athletic programs devote much of their lives to preparing for and competing in athletic events, often at the expense of participating in other aspects of the educational experience; and

Whereas, athletic scholarships provide student‑athletes an opportunity to pursue a degree from the college or university for whom they compete; those scholarships have not, to date, covered the full cost of attendance; and

Whereas, certain colleges and universities have benefitted financially from the use of the names, images, and likenesses of student athletes participating in particular sports; and

Whereas, the financial benefit realized from the use of the names, images, and likenesses of those student athletes has not accrued to the benefit of the student athletes participating in those sports; and

Whereas, the General Assembly finds that it is the policy of this State to fully compensate those student athletes for the use of their names, images, and likenesses through providing financial assistance that is equal to the full cost of attendance at the college or university for whom they compete, and to provide for a post‑graduate financial award from a trust fund designated for their benefit; and

Whereas, the General Assembly establishes the policies of this State by and through enactments of law, and colleges and universities of this State are subject to the laws enacted by the General Assembly. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 101, Title 59 of the 1976 Code is amended by adding:

“Article 5

Student‑Athlete Stipends

Section 59‑101‑800. For the purposes of this article:

(1) ‘Athletic Director’ means an individual responsible for administering the overall athletic program of an educational institution or, if an educational institution has separately administered programs for male and female students, the athletic program for males and the athletic program for females, as appropriate.

(2) ‘Good academic standing’ means a cumulative grade point average of 2.00 or higher.

(3) ‘Intercollegiate sport’ means football, men’s basketball, and women’s basketball played at the collegiate level for which minimum eligibility requirements for participation by a student athlete are established.

(4) ‘Intercollegiate sport gross revenue’ means any revenue generated from the following sources:

(a) use of the commercial value of a student athlete’s name, image or likeness;

(b) ticket sales;

(c) television rights;

(d) merchandise; and

(e) broadcasting licensing agreements.

(5) ‘Participating institution’ means any public institution of higher learning in this state that participates in intercollegiate athletic competition as a member institution of the National Collegiate Athletic Association (NCAA) at the Division I level and generates a total revenue of at least fifty million dollars per year.

(6) ‘Student athlete’ means an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in an intercollegiate sport, including a redshirt individual. If any individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a student athlete for purposes of the sport.

Section 59‑101‑810. (A) The governing body of every participating institution in this state that maintains athletic teams that participate in intercollegiate sports shall authorize the college or university’s athletic director to use money generated from the intercollegiate sports revenue to annually award stipends to each student athlete who participates in an intercollegiate sport and has maintained a good academic standing during the previous academic year, including the student athlete’s senior year in high school.

(B) All stipends awarded must be no less than two thousand five hundred dollars for each semester but must not result in the total amount of aid received to exceed the total cost of attendance.

(C) All stipends are awarded regardless of additional scholarships or other financial aid received.

(D) If a student athlete fails to maintain good academic standing for the previous academic year, the stipend will not be awarded for that year. The student athlete will not be awarded the stipend unless and until good academic standing is reestablished.

Section 59‑101‑820. A student athlete only may receive one stipend regardless of the number of sports in which he participates.

Section 59‑101‑830. A stipend awarded to student athletes pursuant to this article constitutes financial aid for educational purposes and are not income for state income tax purposes.

Section 59‑101‑840. A participating institution that awards stipends pursuant to this article must provide a complete accounting of the stipend awarded to the Commission on Higher Education within sixty days after the stipend is awarded.”

SECTION 2. Chapter 101, Title 59 of the 1976 Code is amended by adding:

“Article 7

Student‑Athlete Trust Fund

Section 59‑101‑900. For the purposes of this article:

(1) ‘Athletic Director’ means an individual responsible for administering the overall athletic program of an educational institution or, if an educational institution has separately administered programs for male and female students, the athletic program for males and the athletic program for females, as appropriate.

(2) ‘Good academic standing’ means a cumulative grade point average of 2.00 or higher.

(3) ‘Intercollegiate sport’ means football, men’s basketball, and women’s basketball played at the collegiate level for which minimum eligibility requirements for participation by a student athlete are established.

(4) ‘Intercollegiate sport gross revenue’ means any revenue generated from the following sources:

(a) use of the commercial value of a student athlete’s name, image or likeness;

(b) ticket sales;

(c) television rights;

(d) merchandise; and

(e) broadcasting licensing agreements.

(5) ‘Participating institution’ means any public institution of higher learning in this state that participates in intercollegiate athletic competition as a member institution of the National Collegiate Athletic Association (NCAA) at the Division I level and generates a total revenue of at least fifty million dollars per year.

(6) ‘Student athlete’ means an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in an intercollegiate sport, including a redshirt individual. If any individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a student athlete for purposes of the sport.

Section 59‑101‑910. There is established the Student Athlete Trust Fund. The governing body of every participating institution in this state that maintains athletic teams that participate in intercollegiate sports shall create a trust fund and fund the trust with a percentage of the intercollegiate sport gross revenue. Earnings and interest on this fund must be credited to it and any balance at the end of the fiscal year carries forward to the fund in the succeeding fiscal year.

Section 59‑101‑920. (A) For each year a student athlete maintains good academic standing, five thousand dollars will be deposited into the fund on his behalf. The total trust fund amount may not exceed twenty‑five thousand dollars for each student athlete.

(B) After fulfillment of all academic requirements for graduation and completion of a state‑approved financial literacy course, the participating institution shall provide a one‑time payment to each student athlete in the full amount deposited on their behalf in the fund. Payments must be made thirty days after graduation.

(C) A trust fund payment is awarded regardless of additional scholarships or financial aid received.

(D) If a student athlete fails to maintain good academic standing for the previous academic year, no funds will be deposited into the trust on his behalf for that year. No funds may be deposited into the trust unless and until good academic standing is reestablished.

(E) Early withdrawal from the trust is strictly prohibited and a student athlete may not assign, borrow, pledge as a collateral, or use these funds in any way until all requirements are fulfilled pursuant to subsection (B).

Section 59‑101‑930. A student athlete who participates in more than one sport only may qualify for one payment, which may not exceed twenty‑five thousand dollars.

Section 59‑101‑940. A payment to a student athlete pursuant to this article constitutes financial aid for educational purposes and is not income for state income tax purposes.

Section 59‑101‑950. A participating institution that remits payment pursuant to this article must provide a complete accounting of the payment to the Commission on Higher Education within sixty days after the payment is made.”

SECTION 3. This act takes effect January 1, 2016.

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