**South Carolina General Assembly**

122nd Session, 2017-2018

**S. 808**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Kimpson

Document Path: l:\s-res\mek\029coll.sp.mek.docx

Introduced in the Senate on January 9, 2018

Currently residing in the Senate Committee on **Education**

Summary: Collegiate Athlete Stipends and Collegiate Athlete Trust Fund

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/6/2017 Senate Prefiled

12/6/2017 Senate Referred to Committee on **Education**

1/9/2018 Senate Introduced and read first time ([Senate Journal‑page 63](file:///h:\sj\20180109.docx))

1/9/2018 Senate Referred to Committee on **Education** ([Senate Journal‑page 63](file:///h:\sj\20180109.docx))

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**VERSIONS OF THIS BILL**

[12/6/2017](file:///p:\pprever\2017-18\808_20171206.docx)

**A** **BILL**

TO AMEND CHAPTER 101, TITLE 59 OF THE 1976 CODE, RELATING TO COLLEGES AND INSTITUTIONS OF HIGHER LEARNING GENERALLY, BY ADDING ARTICLE 5, TO PROVIDE THAT PARTICIPATING INSTITUTIONS IN THIS STATE SHALL ANNUALLY AWARD STIPENDS TO COLLEGIATE ATHLETES WHO PARTICIPATE IN AN INTERCOLLEGIATE SPORT AND MAINTAIN A GOOD ACADEMIC STANDING DURING THE PREVIOUS YEAR AND TO PROVIDE CONDITIONS FOR RECEIPT OF STIPENDS; TO AMEND CHAPTER 101, TITLE 59, RELATING TO COLLEGES AND INSTITUTIONS OF HIGHER LEARNING GENERALLY, BY ADDING ARTICLE 7, TO PROVIDE THAT PARTICIPATING INSTITUTIONS IN THIS STATE SHALL CREATE A COLLEGIATE 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 COLLEGIATE ATHLETE MAINTAINS GOOD ACADEMIC STANDING, FIVE THOUSAND DOLLARS WILL BE DEPOSITED INTO THE FUND ON HIS BEHALF, TO PROVIDE THAT THE TOTAL TRUST FUND AMOUNT MAY NOT EXCEED TWENTY‑FIVE THOUSAND DOLLARS PER COLLEGIATE 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 COLLEGIATE ATHLETE IN THE FULL AMOUNT DEPOSITED IN THE FUND ON HIS BEHALF, AND TO PROVIDE CONDITIONS FOR RECEIPT OF THE TRUST FUND PAYMENT; AND TO DEFINE NECESSARY TERMS.

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

Collegiate Athlete Stipends

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) ‘Collegiate 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, then the individual is not a collegiate athlete for purposes of the sport.

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

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

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

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

(b) ticket sales;

(c) television rights;

(d) merchandise; and

(e) broadcasting licensing agreements.

(6) ‘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 that generates a total revenue of at least fifty million dollars per year.

Section 59‑101‑910. (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 monies generated from the intercollegiate sports revenue to annually award stipends to each collegiate athlete who participates in an intercollegiate sport and maintains a good academic standing during the previous academic year, including the collegiate athlete’s senior year in high school.

(B) All stipends awarded shall be determined by the total number of hours the collegiate athlete spends associated with the intercollegiate sport multiplied by the hourly rate established by the educational institution for a work study program.

(C) All stipends awarded under this section shall be in addition to any scholarship, including the cost of attendance or financial aid.

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

Section 59‑101‑920. A collegiate athlete who participates in more than one sport may only receive one stipend.

Section 59‑101‑930. All stipends awarded to collegiate athletes pursuant to this article are financial aid for educational purposes and are not income for state income tax purposes.

Section 59‑101‑940. Each participating institution that awards stipends pursuant to this article must provide a complete accounting of the stipends awarded to the Commission on Higher Education within sixty days after the stipends are awarded.”

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

“ARTICLE 7

Collegiate Athlete Trust Fund

Section 59‑101‑1000. 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) ‘Collegiate 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, then the individual is not a collegiate athlete for purposes of the sport.

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

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

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

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

(b) ticket sales;

(c) television rights;

(d) merchandise; and

(e) broadcasting licensing agreements.

(6) ‘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 that generates a total revenue of at least fifty million dollars per year.

Section 59‑101‑1010. There is established the Collegiate 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 59‑101‑1020. (A) For each year a collegiate 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 per collegiate athlete.

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

(C) All trust fund payments are awarded regardless of additional scholarships or financial aid received.

(D) If a collegiate athlete fails to maintain good academic standing for the previous academic year, then no monies will be deposited into the trust on his behalf for that year. No monies will be deposited into the trust unless and until good academic standing is re‑established.

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

Section 59‑101‑1030. A collegiate athlete who participates in more than one sport may only qualify for one payment not to exceed twenty‑five thousand dollars.

Section 59‑101‑1040. All payments to collegiate athletes pursuant to this article are financial aid for educational purposes and are not income for state income tax purposes.

Section 59‑101‑1050. Each participating institution that remits payment pursuant to this article must provide a complete accounting of the payments to the Commission on Higher Education within sixty days after the payments are made.”

SECTION 3. Section 59-102-20(12) of the 1976 Code is amended to read:

“(12) ‘~~Student~~ Collegiate 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 an individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a ~~student~~ collegiate athlete for purposes of that sport.”

SECTION 4. This act takes effect January 1, 2019.

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