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**S. 306**

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Summary: Student Athlete Stipends

**HISTORY OF LEGISLATIVE ACTIONS**

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 12/7/2022 Senate Referred to Committee on **Education**

 1/10/2023 Senate Introduced and read first time (Senate Journal‑page 187)

 1/10/2023 Senate Referred to Committee on **Education** (Senate Journal‑page 187)

 2/9/2023 Scrivener's error corrected

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**VERSIONS OF THIS BILL**

[12/07/2022](https://www.scstatehouse.gov/sess125_2023-2024/prever/306_20221207.docx)

[02/09/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/306_20230209.docx)

A bill

to amend the South Carolina Code of Laws by adding Section 59‑101‑900 so as to DEFINE NECESSARY TERMS; by adding Section 59‑101‑910 so as to PROVIDE THAT PARTICIPATING INSTITUTIONS IN THIS STATE SHALL ANNUALLY AWARD A STIPEND TO A STUDENT ATHLETE WHO PARTICIPATES IN AN INTERCOLLEGIATE SPORT AND MAINTAINS GOOD ACADEMIC STANDING DURING THE PREVIOUS YEAR AND TO PROVIDE CONDITIONS FOR THE RECEIPT OF STIPENDS; by adding Section 59‑101‑920 so as to PROVIDE THAT AN ATHLETE MAY ONLY RECEIVE ONE STIPEND; by adding Section 59‑101‑930 so as to PROVIDE THAT ALL STIPENDS ARE FINANCIAL AID; by adding Section 59‑101‑940 so as to PROVIDE THAT PARTICIPATING INSTITUTIONS PROVIDE COMPLETE ACCOUNTING OF THE STIPENDS; by adding Section 59‑101‑1000 so as to DEFINE NECESSARY TERMS; by adding Section 59‑101‑1010 so as to PROVIDE THAT PARTICIPATING INSTITUTIONS SHALL CREATE A STUDENT ATHLETE TRUST FUND AND FUND THE TRUST WITH A PERCENTAGE OF THE INTERCOLLEGIATE SPORT GROSS REVENUE; by adding Section 59‑101‑1020 so as to PROVIDE THAT FIVE THOUSAND DOLLARS WILL BE DEPOSITED INTO THE FUND ON A STUDENT ATHLETE’S BEHALF FOR EACH YEAR THAT HE MAINTAINS GOOD ACADEMIC STANDING, AND TO PROVIDE THAT THE TOTAL TRUST FUND AMOUNT MAY NOT EXCEED TWENTY‑FIVE THOUSAND DOLLARS PER STUDENT ATHLETE, TO PROVIDE THAT A PARTICIPATING INSTITUTION SHALL PROVIDE A ONE‑TIME PAYMENT TO EACH STUDENT ATHLETE AFTER THE FULFILLMENT OF CERTAIN REQUIREMENTS; by adding Section 59‑101‑1030 so as to PROVIDE THAT AN ATHLETE MAY ONLY RECEIVE ONE PAYMENT; by adding Section 59‑101‑1040 so as to PROVIDE THAT ALL PAYMENTS ARE FINANCIAL AID; by adding Section 59‑101‑1050 so as to PROVIDE THAT PARTICIPATING INSTITUTIONS PROVIDE COMPLETE ACCOUNTING OF THE PAYMENTS.

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

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

ARTICLE 9

Student 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 a participating institution or, if a participating 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, or 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) the use of the commercial value of a student athlete’s name, image, or likeness;

 (b) ticket sales;

 (c) television rights;

 (d) merchandise; or

 (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 at the Division I level and that 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, then the individual is not a student athlete for the purposes of that sport.

 Section 59‑101‑910. (A) The governing body of every participating institution in this State shall authorize the participating institution’s athletic director to use monies generated from the intercollegiate sport gross revenue to award a stipend annually to each student athlete who participates in an intercollegiate sport and maintains good academic standing during the previous academic year, including the student athlete’s senior year in high school.

 (B) All stipends awarded shall be determined by the total number of hours the student athlete spends associated with the intercollegiate sport multiplied by the hourly rate established by the participating 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 student athlete fails to maintain good academic standing for the previous academic year, then a stipend will not be awarded for that year. The student athlete will not be awarded a stipend unless and until good academic standing is re‑established.

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

 Section 59‑101‑930. All stipends awarded to student 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.

ARTICLE 10

Student 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) “Good academic standing” means a cumulative grade point average of 2.00 or higher.

 (3) “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 student athlete are established.

 (4) “Intercollegiate sport gross revenue” means any revenue generated from the following sources:

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

 (b) ticket sales;

 (c) television rights;

 (d) merchandise; or

 (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 at the Division I level and that 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, then the individual is not a student athlete for the purposes of that sport.

 Section 59‑101‑1010. There is established the Student Athlete Trust Fund. The governing body of every participating institution in this State shall create a trust fund and fund the trust with a percentage of the intercollegiate sport gross revenue. Earnings and interest on this trust fund must be credited to it, and any balance at the end of the fiscal year carries forward to the trust fund in the succeeding fiscal year.

 Section 59‑101‑1020. (A) For each year that a student athlete maintains good academic standing, five thousand dollars will be deposited into the trust fund on his behalf. The total trust fund amount may not exceed twenty‑five thousand dollars per student athlete.

 (B) After the fulfillment of all academic requirements for graduation and the completion of a state‑approved financial literacy course by a student athlete, his participating institution shall provide a one‑time payment to the student athlete in the full amount deposited on his behalf into the trust 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 student athlete fails to maintain good academic standing for the previous academic year, then no monies will be deposited into the trust fund on his behalf for that year. No monies will be deposited into the trust fund unless and until good academic standing is re‑established.

 (E) Early withdrawals from the trust fund are strictly prohibited, and a student 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 student 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 student 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 2. This act takes effect upon approval by the Governor.

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