

1 AN ACT relating to postsecondary education.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS 164.6941 TO 164.6951 IS  
4 CREATED TO READ AS FOLLOWS:

5 (1) For the purposes of this section:

6 (a) "Athletics coach" or "coach" means an employee of an institution or an  
7 institution's agent whose duties include the management or operation of an  
8 institution's intercollegiate athletics team;

9 (b) "Council" means the Council on Postsecondary Education;

10 (c) "Intercollegiate athletics compensation" means any compensation, whether  
11 through a contract or not, given to a student-athlete or athletics coach:

12 1. For the use of the name, image, or likeness of a student-athlete or  
13 coach; or

14 2. To compensate the student-athlete or coach for participating in  
15 intercollegiate athletics; and

16 (d) "Intercollegiate athletics enterprise" or "enterprise" means a person or  
17 entity that provides student-athletes or coaches with intercollegiate athletics  
18 compensation.

19 (2) (a) An intercollegiate athletics enterprise that provides a cumulative sum of  
20 more than one thousand dollars (\$1,000) in intercollegiate athletics  
21 compensation in any calendar year to coaches and student-athletes shall  
22 register with the council as an intercollegiate athletics enterprise within five  
23 (5) days of meeting the amount.

24 (b) An enterprise may proactively register with the council prior to exceeding  
25 the one thousand dollar (\$1,000) threshold.

26 (3) Upon registration under subsection (2) of this section, the council shall issue the  
27 intercollegiate athletics enterprise a certificate of registration, and the enterprise

1 may continue to engage in intercollegiate athletics compensation in compliance  
2 with the laws of the Commonwealth, including this section, and may renew the  
3 registration annually.

4 (4) An applicant for registration as an intercollegiate athletics enterprise shall  
5 submit an application to the council in a form prescribed by the council and shall  
6 include necessary information for the enforcement of this section.

7 (5) The council may refuse to issue a certificate of registration to an applicant that  
8 has previously violated this section or engaged in conduct that significantly  
9 adversely reflects on the applicant's fitness to engage in intercollegiate athletics  
10 compensation.

11 (6) Each registered intercollegiate athletics enterprise shall:

12 (a) Quarterly report to the council all contracts entered into with student-  
13 athletes and coaches, the institution at which the student-athlete is enrolled  
14 or coach is employed, and the amounts of intercollegiate athletics  
15 compensation provided to each student-athlete and coach; and

16 (b) By April 15 of each year, pay an annual registration fee to the council equal  
17 to ten percent (10%) of all intercollegiate athletics compensation that the  
18 enterprise provided to student-athletes and coaches in the previous year.

19 The council may establish financial penalties for failure to comply with this  
20 subsection.

21 (7) The department shall deposit all fees and penalties into a restricted account  
22 established under Section 2 of this Act. The moneys in the account shall be  
23 divided into amounts for each postsecondary institution based on that  
24 institution's portion of the intercollegiate athletics compensation to all  
25 intercollegiate athletics compensation reported.

26 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO  
27 READ AS FOLLOWS:

1 (1) The Council on Postsecondary Education shall establish a restricted account to  
2 receive the fees and penalties paid in accordance with Section 1 of this Act. The  
3 moneys shall be divided as required in subsection (7) of Section 1 of this Act and  
4 distributed to postsecondary institutions in accordance with this section.

5 (2) Each public postsecondary institution and each postsecondary institution licensed  
6 by the council that participates in intercollegiate athletics as defined in KRS  
7 164.6941 shall establish a scholarship program in compliance with this section  
8 using the funds identified for that institution in Section 1 of this Act.

9 (3) To be eligible for an institution's scholarship, a student shall:

10 (a) Be a citizen or permanent resident of the United States;

11 (b) Be a Kentucky resident as determined by the institution in accordance with  
12 criteria established by the council for the purposes of admission and tuition  
13 assessment;

14 (c) Be enrolled at the institution as a student who is not a student-athlete  
15 participating in intercollegiate athletics as defined in KRS 164.6941;

16 (d) Complete the Free Application for Federal Student Aid for the academic  
17 year in which the scholarship is awarded; and

18 (e) Complete and submit a scholarship application to the institution.

19 (4) (a) The institution shall annually grant scholarships under this section by  
20 lottery from eligible student applicants.

21 (b) The number of the institution's students receiving a scholarship under this  
22 section shall not be fewer than the number of institution's student-athletes  
23 who received intercollegiate athletics compensation during the previous  
24 year under Section 1 of this Act.

25 (c) The institution shall set the amount and duration of the scholarships and  
26 may also set requirements for continued eligibility for the scholarship  
27 beyond the eligibility requirements established in subsection (3) of this

- 1                    section.
- 2   (5) The institution shall annually adopt a calendar for the operation of this section,
- 3   including application deadlines and lottery dates.
- 4   ➔Section 3. This Act takes effect January 1, 2027.