

1 **Higher Education and Private Equity Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jason B. Kyle

Senate Sponsor:

2 **LONG TITLE**3 **General Description:**4 This bill restricts an institution of higher education from entering into certain agreements
5 without approval of the Legislature.6 **Highlighted Provisions:**

7 This bill:

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- 9 ▶ defines terms;

10 - ▶ requires the Legislature to approve an agreement between an institution and a private
11 capital firm in regard to intercollegiate athletics;

12 - ▶ requires an institution to provide certain information to the state auditor upon request;

13 - ▶ grants the Utah Board of Higher Education rulemaking authority; and

14 - ▶ makes technical and conforming changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 This bill provides a special effective date.

19 **Utah Code Sections Affected:**20 **AMENDS:**21 **53H-3-102**, as renumbered and amended by Laws of Utah 2025, First Special Session,
22 Chapter 823 **53H-6-201**, as renumbered and amended by Laws of Utah 2025, First Special Session,
24 Chapter 825 **ENACTS:**26 **53H-6-204**, Utah Code Annotated 1953

27 *Be it enacted by the Legislature of the state of Utah:*28 Section 1. Section **53H-3-102** is amended to read:29 **53H-3-102 . Institutions of higher education -- Corporate bodies -- Powers.**

31 (1) The institutions of higher education and the board listed in Section 53H-1-102 are
32 bodies politic and corporate with perpetual succession and with all rights, immunities,
33 and franchises necessary to function as such.

34 (2)(a) An institution of higher education and the board may have and use a corporate
35 seal and may, subject to this title, take, hold, lease, sell, and convey real and personal
36 property as the interest of the institution requires.

37 (b) An institution of higher education and the board is vested with all the property,
38 franchises, and endowments of, and is subject to, all the contracts, obligations, and
39 liabilities of the institution's respective predecessor.

40 (c)(i) [An] Except as described in Section 53H-6-204, an institution of higher
41 education and the board may enter into business relationships or dealings with
42 private seed or venture capital entities or partnerships consistent with Utah
43 Constitution, Article VI, Section 29, Subsection (2).

44 (ii) A business dealing or relationship entered into under Subsection (2)(c)(i) does not
45 preclude the private entity or partnership from participating in or receiving
46 benefits from a venture capital program authorized or sanctioned by the laws of
47 this state, unless otherwise precluded by the specific law that authorizes or
48 sanctions the program.

49 Section 2. Section **53H-6-201** is amended to read:

50 **53H-6-201 . Definitions.**

51 As used in this part:

52 (1) "Athlete agent" means the same as that term is defined in Section 58-87-102.

53 (2) "Athletic entity" means an athletic association, athletic conference, or other group or
54 organization with authority over intercollegiate athletics.

55 (3) "Control rights" means any contractual right or arrangement that permits a person or
56 entity to:

57 (a) direct, influence, or veto decisions related to the governance, operation, or
58 management of an intercollegiate athletics program;

59 (b) appoint or remove officers, directors, managers, or similar decision-makers; or

60 (c) approve budgets, revenue distributions, or long-term strategic plans.

61 [(3)] (4)(a) "Institutional marketing associate" means a third-party entity that enters into a
62 contract with, or acts on behalf of, an institution or intercollegiate athletics program.

63 (b) "Institutional marketing associate" does not include:

64 (i) an institution;

- (ii) an athletic entity; or
- (iii) a staff member, employee, officer, director, manager, or owner of an institution.

[4] (5) "Intercollegiate athletics program" means an institution-sponsored athletic program or sporting activity in which a student athlete represents the student athlete's institution in competition against another institution.

(6) "Private capital firm" means a private equity firm, hedge fund, investment partnership, or other for-profit investment vehicle that pools capital for the purpose of:

- (a) acquiring equity interests; or
- (b) revenue participation.

[{55}] (7) "Prohibited endorsement provision" means a provision that requires or permits the use of a student athlete's name, image, or likeness to promote:

- (a) a tobacco product or electronic cigarette, as those terms are defined in Section 76-9-1101, including vaping;
- (b) an alcoholic product, as that term is defined in Section 32B-1-102;
- (c) a seller or dispenser of a controlled substance, including steroids, antibiotics, and marijuana;
- (d) gambling or betting;
- (e) a sexually oriented business, as that term is defined in Section 17-50-331; or
- (f) a firearm that the student athlete cannot legally purchase.

[~~(6)~~] (8)(a) "Student athlete" means an individual who:

- (i) is enrolled in an institution; and
- (ii) participates as an athlete for the institution in an intercollegiate athletics program.

(7) "Student-athlete" means an agent or other representative of a student.

- (a) between a student athlete and another party; and
- (b) in which the student athlete and other party agree that the student athlete's name, image, or likeness may be used to promote a business, person, product, service, or individual in exchange for the student athlete receiving financial compensation or other benefits

[{8}] (10) "Third-party entity" means an individual or organization, other than an athletic entity, with authority over intercollegiate athletics

Section 3. Section **53H-6-204** is enacted to read:

53H-6-204 . Restrictions on private equity agreements in intercollegiate athletics

99 (1) As used in this section, "agreement" means a contractual agreement between an
100 institution, or an institution's subsidiary, and a private capital firm that:
101 (a) conveys an ownership interest in, or right to share in revenues an intercollegiate
102 athletics program generates;
103 (b) grants control rights over any aspect of an intercollegiate athletics program or related
104 institutional operations; or
105 (c) establishes a joint venture, partnership, or similar entity through which a private
106 capital firm receives direct or indirect financial returns tied to intercollegiate athletics
107 revenues.

108 (2) An institution may not enter into, renew, or materially amend an agreement with a
109 private capital firm without prior legislative approval through joint resolution.

110 (3) Subsection (2) does not prohibit:

111 (a) a fee-for-service contract for goods or services provided at fair market value;
112 (b) a sponsorship, licensing, or advertising contract that does not include:
113 (i) revenue-sharing; or
114 (ii) control rights;
115 (c) a charitable gift or grant that does not require:
116 (i) repayment; or
117 (ii) financial participation; or
118 (d) financing arrangements involving tax-exempt bonds or other traditional debt
119 instruments that do not convey ownership or control rights.

120 (4) An institution shall, upon request, provide the state auditor with all accounts associated
121 with the operation of the institution's intercollegiate athletics program.

122 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
123 board shall make rules to implement and enforce the requirements of this section.

124 Section 4. **Effective Date.**

125 This bill takes effect:

126 (1) except as provided in Subsection (2), May 6, 2026; or
127 (2) if approved by two-thirds of all members elected to each house:
128 (a) upon approval by the governor;
129 (b) without the governor's signature, the day following the constitutional time limit of
130 Utah Constitution, Article VII, Section 8; or
131 (c) in the case of a veto, the date of veto override.