COMPENSATION OF COLLEGE ATHLETES

Act 366 of 2020

AN ACT to prohibit postsecondary educational institutions in this state and certain athletic organizations from preventing a college athlete from receiving compensation for the use of his or her name, image, or likeness rights.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

The People of the State of Michigan enact:

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390.1731 "Postsecondary educational institution" defined; prohibition on rules, requirement, standard, or limitation on college athletes earning compensation.

Sec. 1.

(1) As used in this act, "postsecondary educational institution" means a public or private institution in this state that offers a degree or course of study beyond the twelfth grade and receives state or federal funding of any kind.

(2) A postsecondary educational institution shall not uphold any rule, requirement, standard, or other limitation that prevents a student of that institution from fully participating in intercollegiate athletics based upon the student earning compensation as a result of the student's use of his or her name, image, or likeness rights. Earning compensation from the use of a student's name, image, or likeness rights shall not affect a student's scholarship eligibility or renewal.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1732 Athletic association or conference; prohibition on preventing college athletes from earning compensation.

Sec. 2.

An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including, but not limited to, the National Collegiate Athletic Association, shall not do either of the following:

(a) Prevent a student of a postsecondary educational institution from fully participating in intercollegiate athletics based upon the student earning compensation as a result of the student's use of his or her name, image, or likeness rights.

(b) Prevent a postsecondary educational institution from fully participating in intercollegiate athletics without penalty based upon a student's use of his or her name, image, or likeness rights.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1733 Compensation by postsecondary educational institution, athletic association, or conference; prohibition; professional representation.

Sec. 3.

A postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics shall not do either of the following:

(a) Provide a prospective college athlete who will attend a postsecondary educational institution with compensation in relation to the athlete's name, image, or likeness rights.

(b) Prevent a student who resides in this state and participates in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters regarding opportunities to be compensated for use of the student's name, image, or likeness rights, including, but not limited to, representation provided by an athlete agent or legal representation provided by an attorney.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1734 Grant-in aid or stipend scholarship; revocation or reduction prohibited.

Sec. 4.

For purposes of this act, an athletics grant-in aid or stipend scholarship from a postsecondary educational institution in which a student is enrolled is not compensation for use of a student's name, image, or likeness rights, and the institution shall not revoke or reduce an athletics grant-in aid or stipend scholarship based upon a student earning compensation in accordance with this act.

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History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1735 Prohibition on the interference or prevention of professional representation or full participation in intercollegiate athletics.

Sec. 5.

(1) A postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics shall not interfere with or prevent a student from fully participating in intercollegiate athletics based upon the student obtaining professional representation in relation to contracts or legal matters regarding the student's opportunities to earn compensation for the student's use of his or her name, image, or likeness rights, including, but not limited to, representation provided by an athlete agent or financial advisor, or legal representation provided by an attorney.

(2) An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including, but not limited to, the National Collegiate Athletic Association, shall not prevent a postsecondary educational institution from fully participating in intercollegiate athletics without penalty as a result of a student obtaining professional representation in relation to contracts or legal matters regarding the student's opportunities to earn compensation for the student's use of his or her name, image, or likeness rights,

including, but not limited to, representation provided by an athlete agent or financial advisor, or legal representation by an attorney.

(3) For purposes of this section, professional representation by an athlete agent, financial advisor, or attorney must be provided by persons licensed in this state, as applicable.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1736 Apparel contract restrictions.

Sec. 6.

A student shall not enter into an apparel contract providing compensation to the student for use of his or her name, image, or likeness rights that requires the student to display a sponsor's apparel, or otherwise advertise for a sponsor, during official team activities if the provision is in conflict with a provision of the student's postsecondary educational institution's team contract.

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History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1737 Disclosure of proposed opportunity or contract; requirements; communication of conflicts.

Sec. 7.

(1) A student who intends to enter into a verbal or written opportunity or contract that would provide compensation to the student for use of his or her name, image, or likeness rights shall disclose the proposed opportunity or contract to a designated official of the postsecondary educational institution that the student attends, as designated by that institution, at least 7 days prior to committing to the opportunity or contract, for review by that institution.

(2) If the postsecondary educational institution described in subsection (1) identifies a conflict between the student's proposed opportunity or contract and any existing agreements of the postsecondary educational institution, the postsecondary educational institution shall communicate that conflict to the student so that the student may negotiate a revision of the opportunity or contract to avoid the conflict and that revision is subject to additional review and approval by the postsecondary educational institution in accordance with this section.

(3) A team contract of a postsecondary educational institution's athletic program shall not prevent a student from receiving compensation for using his or her name, image, or likeness rights for a commercial purpose when the student is not engaged in official team activities.

(4) This section does not apply to a contract entered into, modified, or renewed on or before the effective date of this act.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1738 Legal settlement; compliance with act.

Sec. 8.

A legal settlement arising under this act shall not permit noncompliance with this act.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1739 Written summary on progress of national policy and any congressional legislation.

Sec. 9.

(1) By December 31, 2020 and by December 31, 2021, any nonprofit trade association that represents postsecondary educational institutions in this state shall provide for each of those years, respectively, a written summary of both of the following to the chair of the appropriations committee of the house of representatives, the chair of the appropriations committee of the senate, and the chair of the ways and means committee of the house of representatives:

(a) Progress made by the National Collegiate Athletic Association toward the development of a national policy, including updates to relevant bylaws and rules, on student athlete name, image, and likeness compensation, as directed by that association's board of governors on October 29, 2019.

(b) Congressional action on legislation on student athlete name, image, and likeness compensation, including, but not limited to, the proposed congressional advisory commission on intercollegiate athletics act of 2019, as proposed by H.R. 5528 of the 116th Congress.

(2) By June 30, 2022, any nonprofit trade association that represents postsecondary educational institutions in this state shall provide to the chair of the appropriations committee of the house of representatives, the chair of the appropriations committee of the senate, and the chair of the ways and means committee of the house of representatives a written summary of the preparedness of the association's respective member institutions toward implementation of this act.

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History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1740 Rights of postsecondary educational institution and student athletes.

Sec. 10.

(1) This act does not require a postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics to identify, create, facilitate, negotiate, or otherwise enable opportunities for a student to earn compensation for the student's use of his or her name, image, or likeness rights.

(2) This act does not establish or bestow the right of a student to use the name, trademarks, services marks, logos, symbols, or any other intellectual property, whether registered or not, of a postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics, in furtherance of the student's opportunities to earn compensation for the student's use of his or her name, image, or likeness rights.

(3) This act does not limit the right of a postsecondary educational institution to establish and enforce any of the following:

(a) Academic standards, requirements, regulations, or obligations for its students.

(b) Team rules of conduct or other rules of conduct.

(c) Standards or policies regarding the governance or operation of or participation in intercollegiate varsity athletics.

(d) Disciplinary rules and standards generally applicable to all students of the postsecondary educational institution.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

390.1741 Effective dates.

Sec. 11.

(1) Sections 9 and 11 of this act take effect on the date it is enacted into law.

(2) Sections 1, 2, 3, 4, 5, 6, 7, 8, and 10 of this act take effect December 31, 2022.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021

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