

H.B. 202 STUDENT ATHLETE AMENDMENTS 1ST SUB

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WHAT IS A NIL DEAL?

A NIL deal is an agreement or arrangement between a student-athlete and a third party, such as a brand, company or individual, where the student-athlete receives compensation for the use of their name, image and likeness.

WHEN DID NIL START?

Effective July 1, 2021, the NCAA approved name, image, and likeness policy allows student-athletes to monetize their NIL. However, no federal legislation or specific NCAA NIL rules have been established. NIL activities and restrictions vary from state to state and school to school, which means student-athletes must understand both sets of rules before entering into any NIL agreements.

WHAT DOES NIL STAND FOR?

NIL stands for name, image and likeness, which primarily pertains to student-athletes in college sports.

WHAT IS AN NIL COLLECTIVE?

NIL collectives are support networks for college athletes where donors pool together money to compensate athletes for their name, image and likeness. These independent organizations generate NIL deals for athletes at specific schools while operating separately from the schools themselves.

WHAT DOES HB 202 DO?

- Student athletes cannot agree to endorsements that are prohibited.
- Any student athlete agreement exceeding \$600 in value must be provided to the institution by the athlete or prospective athlete.
- The institution must acknowledge whether the agreement conflicts with their policies or the regulations outlined.
- Information related to student athlete agreements is not subject to government records access laws.
- Institutions cannot use legislative funds for any purpose related to a student athlete's agreement submitted to them.

WHAT DOES NIL MEAN?

NIL refers to the rights of college athletes to control and profit from their name, image and likeness. In the past, these rights were restricted by the NCAA, but recent policy changes now allow athletes to monetize their personal brand and endorsements while participating in college sports.

DIVISION I COUNCIL APPROVES NIL DISCLOSURE AND TRANSPARENCY RULES

The Division I Council unanimously approved a proposal to enhance student-athlete protections regarding name, image, and likeness (NIL) starting August 1. The proposal includes standardized contract recommendations and voluntary registration of service providers to provide greater transparency and confidence for student-athletes seeking NIL opportunities.

The four elements of student-athlete protections are:

- VOLUNTARY REGISTRATION:** Establishing a centralized registration process for NIL service providers will help student-athletes make informed decisions when selecting such providers.
- DISCLOSURE REQUIREMENTS:** Student-athletes must disclose NIL agreements exceeding \$600 in value to their schools within 30 days of signing. This data will be aggregated and provided to the NCAA to inform policy decisions.
- STANDARDIZED CONTRACTS:** The NCAA will collaborate with schools to offer robust education on contract obligations, including template contracts and recommended terms, ensuring informed decision-making by student-athletes and their families.
- COMPREHENSIVE NIL EDUCATION:** Developing an ongoing education plan and resources for student-athletes and relevant stakeholders on NIL policies, rules, and best practices will further support their understanding and compliance with NIL regulations.

The NCAA Council has proposed changes to clarify school involvement in Name, Image, and Likeness (NIL) activities:

1. Increased School Support: Schools could help athletes pursue NIL opportunities, but athletes would retain control over agreements.
2. Definition of NIL Entities: Defined as entities supporting school athletics by compensating athletes for NIL activities.
3. Communication Regulations: Restrictions on school-NIL entity communication would be removed.
4. Prospect Restrictions: NIL entities couldn't contact prospects until they sign, participate, or enroll.

These changes aim to improve student-athlete decision-making and address current challenges in NIL activities.

