

**SUBSTITUTE FOR
HOUSE BILL NO. 5217**

A bill 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.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (2) A postsecondary educational institution shall not uphold
6 any rule, requirement, standard, or other limitation that prevents
7 a student of that institution from fully participating in
8 intercollegiate athletics based upon the student earning



1 compensation as a result of the student's use of his or her name,
2 image, or likeness rights. Earning compensation from the use of a
3 student's name, image, or likeness rights shall not affect a
4 student's scholarship eligibility or renewal.

5 Sec. 2. An athletic association, conference, or other group or
6 organization with authority over intercollegiate athletics,
7 including, but not limited to, the National Collegiate Athletic
8 Association, shall not do either of the following:

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

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

16 Sec. 3. A postsecondary educational institution, athletic
17 association, conference, or other group or organization with
18 authority over intercollegiate athletics shall not do either of the
19 following:

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

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



1 Sec. 4. For purposes of this act, an athletics grant-in aid or
2 stipend scholarship from a postsecondary educational institution in
3 which a student is enrolled is not compensation for use of a
4 student's name, image, or likeness rights, and the institution
5 shall not revoke or reduce an athletics grant-in aid or stipend
6 scholarship based upon a student earning compensation in accordance
7 with this act.

8 Sec. 5. (1) A postsecondary educational institution, athletic
9 association, conference, or other group or organization with
10 authority over intercollegiate athletics shall not interfere with
11 or prevent a student from fully participating in intercollegiate
12 athletics based upon the student obtaining professional
13 representation in relation to contracts or legal matters regarding
14 the student's opportunities to earn compensation for the student's
15 use of his or her name, image, or likeness rights, including, but
16 not limited to, representation provided by an athlete agent or
17 financial advisor, or legal representation provided by an attorney.

18 (2) An athletic association, conference, or other group or
19 organization with authority over intercollegiate athletics,
20 including, but not limited to, the National Collegiate Athletic
21 Association, shall not prevent a postsecondary educational
22 institution from fully participating in intercollegiate athletics
23 without penalty as a result of a student obtaining professional
24 representation in relation to contracts or legal matters regarding
25 the student's opportunities to earn compensation for the student's
26 use of his or her name, image, or likeness rights, including, but
27 not limited to, representation provided by an athlete agent or
28 financial advisor, or legal representation by an attorney.

29 (3) For purposes of this section, professional representation



1 by an athlete agent, financial advisor, or attorney must be
2 provided by persons licensed in this state, as applicable.

3 Sec. 6. A student shall not enter into an apparel contract
4 providing compensation to the student for use of his or her name,
5 image, or likeness rights that requires the student to display a
6 sponsor's apparel, or otherwise advertise for a sponsor, during
7 official team activities if the provision is in conflict with a
8 provision of the student's postsecondary educational institution's
9 team contract.

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

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

27 (3) A team contract of a postsecondary educational
28 institution's athletic program shall not prevent a student from
29 receiving compensation for using his or her name, image, or



1 likeness rights for a commercial purpose when the student is not
2 engaged in official team activities.

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

5 Sec. 8. A legal settlement arising under this act shall not
6 permit noncompliance with this act.

7 Sec. 9. (1) By December 31, 2020 and by December 31, 2021, any
8 nonprofit trade association that represents postsecondary
9 educational institutions in this state shall provide for each of
10 those years, respectively, a written summary of both of the
11 following to the chair of the appropriations committee of the house
12 of representatives, the chair of the appropriations committee of
13 the senate, and the chair of the ways and means committee of the
14 house of representatives:

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

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

25 (2) By June 30, 2022, any nonprofit trade association that
26 represents postsecondary educational institutions in this state
27 shall provide to the chair of the appropriations committee of the
28 house of representatives, the chair of the appropriations committee
29 of the senate, and the chair of the ways and means committee of the



1 house of representatives a written summary of the preparedness of
2 the association's respective member institutions toward
3 implementation of this act.

4 Sec. 10. (1) This act does not require a postsecondary
5 educational institution, athletic association, conference, or other
6 group or organization with authority over intercollegiate athletics
7 to identify, create, facilitate, negotiate, or otherwise enable
8 opportunities for a student to earn compensation for the student's
9 use of his or her name, image, or likeness rights.

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

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

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

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

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

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

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



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

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

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

