



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5217 (Substitute H-5 as reported without amendment)
House Bill 5218 (as reported without amendment)
Sponsor: Representative Brandt Iden (H.B. 5217)
Representative Joe Tate (H.B. 5218)
House Committee: Oversight
Ways and Means
Senate Committee: Regulatory Reform

CONTENT

House Bill 5217 (H-5) would create a new act to do the following:

- Prohibit a postsecondary institution from preventing 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.
- Specify that earning compensation from the use of a student's name, image, or likeness rights could not affect the student's scholarship eligibility or renewal.
- Prohibit an athletic association, conference, or other group or organization with authority over intercollegiate athletics from preventing a student or a postsecondary institution from fully participating in intercollegiate athletics based on the student earning compensation from the use of his or her name, image, or likeness rights.
- Prohibit a postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics from providing a prospective college athlete with compensation in relation to the athlete's name, image, or likeness rights, and from preventing a student athlete from obtaining professional representation in relation to contracts or legal matters.
- Specify that an athletics grant-in aid or stipend scholarship would not be compensation for use of a student's name, image, or likeness rights, and prohibit a postsecondary educational institution from revoking or reducing an athletics grant-in aid or stipend scholarship upon a student earning compensation in accordance with the Act.
- Prohibit a student athlete from entering into an apparel contract providing compensation for the use of the student's name, image, or likeness rights that required the student to display a sponsor's apparel or otherwise advertise for a sponsor during official team activities if it would conflict with a provision of the student's postsecondary educational institution's team contract.
- Require a student athlete who intended to enter into an opportunity or contract providing compensation for the use of his or her name, image, or likeness rights to disclose the proposed opportunity or contract to the institution he or she attended at least seven days before committing to the opportunity or contract.
- Prohibit a team contract of a postsecondary educational institution's athletic program from preventing a student from receiving compensation for using his or her name, image, or likeness rights for a commercial purpose when the student was not engaged in official team activities.
- Require any nonprofit trade association that represented postsecondary educational institutions in Michigan to provide certain reports to the Legislature.

-- Specify that the Act would not prohibit a postsecondary educational institution from establishing and enforcing athletic standards and requirements of its student athletes, team rules or conduct, standards or policies for the participation in intercollegiate varsity athletics, and disciplinary rules applicable to all student athletes at the institution.

House Bill 5218 would repeal Section 411e of the Michigan Penal Code, which prohibits athletic agents from engaging in certain conduct, and Section 2968 of the Revised Judicature Act, which prohibits promising or providing improper gifts or services to a student athlete or his or her family.

House Bill 5218 is tie-barred to House Bill 5217. Sections 9 (which relates to the reports required to various House and Senate committees) and 11 of the proposed Act would take effect on the date House Bill 5217 was enacted. Sections 1 through 8 and 10 of the proposed Act would take effect on December 31, 2022.

MCL 750.411e & 600.2968 (H.B. 5218)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

House Bill 5217 (H-5) would have no fiscal impact on State or local government.

House Bill 5218 could result in lower costs for State government in that the elimination of the penalty under the Michigan Penal Code could result in decreased costs related to county jails and local probation supervision. The amount of any savings is indeterminate and would depend on the actual number of individuals that would have been penalized under those provisions that would be eliminated. Additionally, the bill could result in decreased funding for local libraries from the elimination of the provision from the Code.

Date Completed: 12-1-20

Fiscal Analyst: Joe Carrasco
Josh Sefton