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AN ACT concerning student-athletes at certain institutions of higher education and supplementing chapter 3B of Title 18A of the New Jersey Statutes.

“New Jersey Fair Play Act”; allows collegiate student-athletes to earn compensation for use of name, image, or likeness.

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AN ACT concerning student-athletes at certain institutions of higher education and supplementing chapter 3B of Title 18A of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be known and may be cited as the “New Jersey Fair Play Act.”

2. a. A four-year institution of higher education shall not:

(1) uphold any rule, requirement, standard, or other limitation that prevents a student of that institution participating in intercollegiate athletics from earning compensation as a result of the use of the student’s name, image, or likeness.

Except as otherwise provided pursuant to subsection b. of this section, earning compensation from the use of a student’s name, image, or likeness shall not affect the student’s institutional scholarship eligibility. An institutional scholarship shall not be considered compensation for the purposes of this act and a scholarship shall not be revoked as a result of a student earning compensation or obtaining professional representation;

(2) provide a prospective student-athlete with compensation in relation to the student-athlete’s name, image, or likeness; or

(3) prevent a student participating in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters including, but not limited to, representation provided by athlete agents or legal representation provided by attorneys.

Legal representation obtained by student-athletes shall be from attorneys licensed by the State. Athlete agents representing student-athletes shall comply with the federal “Sports Agent Responsibility and Trust Act” (15 U.S.C. s.7801 et seq.) in their relationship with student-athletes.

b. Notwithstanding the provisions of subsection a. of this section to the contrary, a student participating in intercollegiate athletics shall be prohibited from earning compensation as a result of the use of the student’s name, image, or likeness in connection with any person, company, or organization related to or associated with the development, production, distribution, wholesaling, or retailing of: adult entertainment products and services; alcohol products; casinos and gambling, including sports betting, the lottery, and betting in connection with video games, on-line games, and mobile devices; tobacco and electronic smoking products and devices; pharmaceuticals; a controlled dangerous substance; and weapons, including firearms and ammunition.

Earning compensation from the use of a student’s name, image, or likeness in connection with products and services listed pursuant to this subsection shall result in the revocation of the student’s institutional scholarship eligibility.

3. A four-year institution of higher education shall not join any athletic association, conference, or other group or organization with authority over intercollegiate athletics including, but not limited to, the National Collegiate Athletic Association, that:

- a. prohibits a student-athlete participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, or likeness;
- b. prohibits an institution of higher education from participating in intercollegiate athletics as a result of the compensation of a student-athlete for the use of the student's name, image, or likeness;
- c. provides a prospective student-athlete with compensation in relation to the student-athlete's name, image, or likeness; or
- d. prevents a student participating in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters including, but not limited to, representation provided by athlete agents or legal representation provided by attorneys.

4. a. A student-athlete who enters into a contract providing compensation to the student-athlete for use of his name, image, or likeness shall disclose the contract to an official of the four-year institution of higher education, to be designated by the institution.

b. A student-athlete shall not enter into a contract providing compensation to the student-athlete for use of his name, image, or likeness if a provision of the contract:

- (1) conflicts with a provision of the student-athlete's team contract; or
- (2) conflicts with the provisions of subsection b. of section 2 of this act.

c. An institutional team contract shall not prevent a student-athlete from using the athlete's name, image, or likeness for a commercial purpose when the athlete is not engaged in official team activities.

d. An institutional team contract shall allow the institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics to use the athlete's name, image, or likeness for advertising and marketing purposes without additional compensation paid to the student-athlete.

e. An institution asserting a conflict pursuant to subsection b. of this section shall disclose to the student-athlete and to the student-athlete's professional representation the relevant contractual provisions that are in conflict.

5. This act shall take effect immediately and shall first be applicable in the fifth academic year following the date of enactment.

STATEMENT

This bill allows certain collegiate student-athletes to earn compensation for the use of their name, image, or likeness. Under the bill, a four-year institution of higher education will be prohibited from upholding any rule, requirement, standard, or other limitation that prevents a student of that institution participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, or likeness. Earning compensation from the use of a student's name, image, or likeness will not affect the student's institutional scholarship eligibility.

The bill specifies, however, that a student is prohibited from earning compensation as a result of the use of the student's name, image, or likeness in connection with any person, company, or organization related to or associated with the development, production, distribution, wholesaling, or retailing of: adult entertainment products and services; alcohol products; casinos and gambling, including sports betting, the lottery, and betting in connection with video games, on-line games, and mobile devices; tobacco and electronic smoking products and devices; pharmaceuticals; controlled dangerous substances; and weapons, including firearms and ammunition.

Under the bill, a four-year institution is prohibited from joining any athletic association, conference, or other group or organization with authority over intercollegiate athletics, including but not limited to, the National Collegiate Athletic Association, that:

- prohibits a student-athlete participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, or likeness;
- prohibits an institution of higher education from participating in intercollegiate athletics as a result of the compensation of a student-athlete for the use of the student's name, image, or likeness;
- provides a prospective student-athlete with compensation in relation to the student-athlete's name, image, or likeness; or
- prevents a New Jersey student participating in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters including, but not limited to, representation provided by athlete agents or legal representation provided by attorneys.

The bill provides that a student-athlete who enters into a contract providing compensation to the student-athlete for use of his name, image, or likeness must disclose the contract to an official of the four-year institution of higher education, to be designated by the institution. An institutional team contract may not prevent a student-athlete from using the athlete's name, image, or likeness for

a commercial purpose when the athlete is not engaged in official team activities.

“New Jersey Fair Play Act”; allows collegiate student-athletes to earn compensation for use of name, image, or likeness.