MISSISSIPPI LEGISLATURE

REGULAR SESSION 2021

By: Senator(s) Parks, Carter, Simmons To: Universities and (12th), Norwood

Colleges

SENATE BILL NO. 2313 (As Sent to Governor)

1 AN ACT TO BE KNOWN AS THE "MISSISSIPPI INTERCOLLEGIATE 2 ATHLETICS COMPENSATION RIGHTS ACT"; TO AUTHORIZE STUDENT-ATHLETES TO EARN COMPENSATION FOR HIS NAME, IMAGE AND LIKENESS; TO DEFINE 3 TERMS RELATING THERETO; TO PROVIDE THAT STUDENT-ATHLETES SHALL NOT 4 5 EARN COMPENSATION IN EXCHANGE FOR HIS ATHLETIC ABILITY OR 6 PARTICIPATION IN INTERCOLLEGIATE ATHLETICS; TO PROVIDE THAT 7 STUDENT-ATHLETES SHALL NOT BE DEEMED TO BE EMPLOYEES OF THE EDUCATIONAL INSTITUTION; TO PROVIDE THAT A POSTSECONDARY 8 9 EDUCATIONAL INSTITUTION SHALL NOT UPHOLD A CONTRACT THAT PREVENTS A STUDENT-ATHLETE FROM EARNING COMPENSATION FROM HIS NAME, IMAGE 10 OR LIKENESS; TO PROVIDE THAT ATHLETIC ASSOCIATIONS WITH AUTHORITY 11 12 OVER INTERCOLLEGIATE ATHLETIC PROGRAMS SHALL NOT PREVENT A 13 STUDENT-ATHLETE FROM EARNING COMPENSATION FROM HIS NAME, IMAGE OR LIKENESS; TO PROVIDE THAT A STUDENT-ATHLETE SHALL NOT RECEIVE OR 14 ENTER INTO A CONTRACT FOR COMPENSATION FOR THE USE OF HIS OR HER 15 16 NAME, IMAGE OR LIKENESS IN A WAY THAT ALSO USES ANY REGISTERED OR 17 LICENSED MARKS, LOGOS, VERBIAGE OR DESIGNS OF A POSTSECONDARY 18 INSTITUTION, UNLESS THE INSTITUTION HAS PROVIDED THE 19 STUDENT-ATHLETE WITH WRITTEN PERMISSION; TO PROVIDE THAT ATHLETIC 20 ASSOCIATIONS WITH AUTHORITY OVER INTERCOLLEGIATE ATHLETIC PROGRAMS 21 SHALL NOT PREVENT EDUCATIONAL INSTITUTIONS FROM PARTICIPATING IN 22 ATHLETICS AS A RESULT OF THE COMPENSATION OF A STUDENT-ATHLETE FOR 23 THE USE OF THE STUDENT-ATHLETE'S NAME, IMAGE OR LIKENESS; TO 24 PROVIDE THAT ATHLETIC ASSOCIATIONS WITH AUTHORITY OVER 25 INTERCOLLEGIATE ATHLETIC PROGRAMS SHALL NOT PREVENT 26 STUDENT-ATHLETES FROM OBTAINING PROFESSIONAL REPRESENTATION IN 27 RELATION TO NAME, IMAGE OR LIKENESS; TO PROVIDE THAT A STUDENT-ATHLETE'S FINANCIAL AID SHALL NOT BE REVOKED IF HE IS 28 29 COMPENSATED PURSUANT TO THIS ACT; TO PROVIDE THAT A STUDENT-ATHLETE WHO ENTERS INTO AN AGREEMENT SHALL DISCLOSE THE 30 31 CONTRACT TO THE EDUCATIONAL INSTITUTION; TO PROVIDE THAT AN 32 EDUCATIONAL INSTITUTION, BOOSTER, THIRD-PARTY LICENSEE, OR 33 INDIVIDUAL OR ENTITY SHALL NOT PROVIDE COMPENSATION TO A CURRENT 34 OR PROSPECTIVE STUDENT-ATHLETE AS AN INDUCEMENT FOR HIM TO ENROLL S. B. No. 2313 \sim OFFICIAL \sim

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35 IN A SPECIFIC INSTITUTION; TO PROVIDE THAT A STUDENT-ATHLETE SHALL 36 NOT ENTER INTO A LIKENESS AGREEMENT THAT RELATES TO THE PROMOTION 37 OF GAMBLING, MARIJUANA, SPORTS BETTING, TOBACCO, ALCOHOL OR OTHER PRODUCTS THAT MAY BE CONSIDERED INCONSISTENT WITH THE EDUCATIONAL 38 39 INSTITUTION'S VALUES; TO CODIFY NEW SECTION 93-19-17, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT PERSONS 18 YEARS OF AGE SHALL HAVE 40 41 THE CAPACITY TO ENTER INTO BINDING CONTRACTS AFFECTING THE USE OF 42 THEIR NAME, IMAGE, OR LIKENESS WHILE PARTICIPATING IN 43 INTERCOLLEGIATE SPORTS; TO AMEND SECTION 73-42-3, MISSISSIPPI CODE 44 OF 1972, TO INCLUDE COMPENSATION FOR THE USE OF A 45 STUDENT-ATHLETE'S NAME, IMAGE OR LIKENESS IN THE DEFINITION OF 46 "ENDORSEMENT CONTRACT" AND "AGENCY CONTRACT"; TO PROVIDE THAT NO 47 POSTSECONDARY EDUCATIONAL INSTITUTION SHALL BE SUBJECT TO A CLAIM 48 FOR DAMAGES FOR UNFAIR TRADE OR COMPETITION OR TORTIOUS 49 INTERFERENCE; AND FOR RELATED PURPOSES.

50 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 51 <u>SECTION 1.</u> This act shall be known and may be cited as the 52 "Mississippi Intercollegiate Athletics Compensation Rights Act." 53 <u>SECTION 2.</u> (1) As used in this act, the following terms 54 shall have the following meanings unless the context clearly 55 indicates otherwise: 56 (a) "Compensation" means anything of value, monetary or

otherwise, including, but not limited to, cash, gifts, in-kind items of value, social media compensation, payments for licensing or use of publicity rights, payments for other intellectual or intangible property rights under federal or state law, and any other form of payment or remuneration, except as excluded under this act.

63 For the purposes of this act, "compensation" shall not mean 64 or include the following:

(i) Tuition, room, board, books, fees and personal
expenses that a postsecondary educational institution provides a
student-athlete in accordance with the rules of the athletic
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21/SS36/R790SG PAGE 2 68 association or conference of which the postsecondary educational 69 institution is a member;

(ii) Federal Pell Grants and other state and federal grants or scholarships unrelated to, and not awarded because of a student-athlete's participation in intercollegiate athletics or sports competition;

(iii) Any other financial aid, benefits or awards that a postsecondary educational institution provides a student-athlete in accordance with the rules of the athletic association or conference of which the postsecondary educational institution is a member; or

(iv) The payment of wages and benefits to a student-athlete for work actually performed (but not for athletic ability or participation in intercollegiate athletics) at a rate commensurate with the prevailing rate for similar work in the locality of the student-athlete's postsecondary educational institution.

(b) "Image" means a picture of the student-athlete.
(c) "Intercollegiate athletics program" means an
intercollegiate athletics program played at the collegiate level
for which eligibility requirements for participation by a
student-athlete are established by a national association for the
promotion or regulation of collegiate athletics.

91 (d) "Likeness" means a physical, digital or other92 depiction or representation of a student-athlete.

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93 (e) "Name" means the first or last name, or the
94 nickname, of a student-athlete when used in a context that
95 reasonably identifies the student-athlete with particularity.
96 (f) "Name, Image and Likeness Agreement" means a

97 contract or similar arrangement between a student-athlete and a 98 third-party licensee regarding the commercial use of the name, 99 image or likeness of the student-athlete.

100 (g) "Publicity right" means any right that is: 101 (i) Licensed under a name, image, and likeness 102 agreement; or

(ii) Recognized under a federal or state law that permits an individual to control and profit from the commercial use of the name, image or likeness of the individual.

106 (h) "Postsecondary educational institution" means a 107 public university or community college or private university or 108 college.

(i) "Social media compensation" means all forms of payment for engagement on social media received by a student-athlete as a result of the use of that student-athlete's name, image or likeness.

(j) "Student-athlete" means an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in, intercollegiate athletics program at a postsecondary educational institution. If an individual is permanently ineligible to participate in a particular intercollegiate sport,

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118 the individual is not a student-athlete for purposes of that 119 sport.

(k) "Third-party licensee" means any individual or entity that licenses publicity rights or the use of name, image or likeness from any prospective or current student-athlete or group of student-athletes. The term "third-party licensee" shall not include any national association for the promotion or regulation of collegiate athletics, athletics conference, or postsecondary educational institution.

127 <u>SECTION 3.</u> (1) Except as provided in Section 4 of this act, 128 a student-athlete may:

(a) Earn compensation, commensurate with market value,
for the use of the name, image, or likeness of the student-athlete
while enrolled at a postsecondary educational institution; and

(b) Obtain and retain a certified agent for any matteror activity relating to such compensation.

134 (2) No student-athlete may earn compensation in exchange for
135 the student-athlete's athletic ability or participation in
136 intercollegiate athletics or sports competition.

(3) Notwithstanding any other provision of applicable law or agreement to the contrary, a student-athlete shall not be deemed an employee or independent contractor of an association, a conference, or a postsecondary educational institution based on the student-athlete's participation in an intercollegiate athletics program.

S. B. No. 2313 **~ OFFICIAL ~** 21/SS36/R790SG PAGE 5 143 **SECTION 4.** (1) Except as provided for under this act, a 144 postsecondary educational institution shall not uphold any 145 contract, rule, regulation, standard or other requirement that prevents a student-athlete of that institution from earning 146 147 compensation as a result of the use of the student's name, image, 148 or likeness. Any such contract, rule, regulation standard or 149 other requirement shall be void and unenforceable against the 150 postsecondary educational institution or the student-athlete. 151 Compensation from the use of a student-athlete's name, image, or 152 likeness may not affect the student-athlete's scholarship 153 eligibility, grant-in-aid or other financial aid, awards or 154 benefits, or the student-athlete's intercollegiate athletic 155 eligibility. Nothing in this act is intended to alter any state 156 and federal laws or regulations regarding the award of financial 157 aid at postsecondary educational institutions.

158 (2) Except as provided for in this act, an athletic 159 association, conference or other group or organization with authority over intercollegiate athletic programs, including, but 160 161 not limited to, the National Collegiate Athletic Association 162 (NCAA) and the National Junior College Athletic Association 163 (NJCAA), shall not prevent, or otherwise enforce a contract, rule, 164 regulation, standard or other requirement that prevents, a 165 student-athlete of a postsecondary educational institution from earning compensation as a result of the use of the 166 167 student-athlete's name, image or likeness.

168 (3) To protect the integrity of its educational mission and 169 intercollegiate athletics program, a postsecondary educational 170 institution may impose reasonable limitations on the dates and 171 time that a student-athlete may participate in endorsement, 172 promotional, social media or other activities related to the 173 license or use of the student-athlete's name, image and likeness. 174 Nothing in this act shall restrict a postsecondary educational 175 institution from exercising its sole discretion to control the 176 authorized use of its marks or logos or to determine a student-athlete's apparel, gear or other wearables during an 177 178 intercollegiate athletics competition or institution-sponsored 179 event. A student-athlete may not receive or enter into a contract 180 for compensation for the use of his or her name, image or likeness 181 in a way that also uses any registered or licensed marks, logos, 182 verbiage or designs of a postsecondary institution, unless the 183 institution has provided the student-athlete with written 184 permission to do so prior to execution of the contract or receipt of compensation. If permission is granted, the postsecondary 185 186 educational institution, by agreement of all parties, may be 187 compensated for the use in a manner consistent with market rates. 188 A postsecondary educational institution may also prohibit a 189 student-athlete from wearing any item of clothing, shoes, or other gear or wearables with the name, logo or insignia of any entity 190 191 during an intercollegiate athletics competition or 192 institution-sponsored event.

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S. B. No. 2313 21/SS36/R790SG PAGE 7 193 (4) An athletic association, conference or other group or 194 organization with authority over intercollegiate athletics 195 programs, including, but not limited to, the National Collegiate 196 Athletic Association and the National Junior College Athletic 197 Association, shall not enforce a contract, rule, regulation, 198 standard or other requirement that prevents a postsecondary 199 educational institution from participating in an intercollegiate 200 athletics program as a result of the compensation of a 201 student-athlete for the use of the student-athlete's name, image 202 or likeness.

(5) A postsecondary educational institution, athletic association, conference or other group or organization with authority over intercollegiate athletics programs, including, but not limited to, the National Collegiate Athletic Association and the National Junior College Athletic Association, shall not, directly or indirectly:

(a) Enter into, or offer to enter into, a name, image
and likeness agreement with a prospective or current
student-athlete; or

(b) Provide a prospective or current student-athlete or the student-athlete's family compensation in relation to the use of the student-athlete's name, image or likeness.

(6) A postsecondary educational institution, athletic
association, conference or other group or organization with
authority over intercollegiate athletics programs, including, but

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218 not limited to, the National Collegiate Athletic Association and 219 the National Junior College Athletic Association shall not prevent 220 a student-athlete from obtaining professional representation in 221 relation to name, image or likeness, or to secure a name, image 222 and likeness agreement, including, but not limited to, 223 representation provided by athlete agents or legal representation 224 provided by attorneys. A student-athlete shall provide the postsecondary educational institution with written notice at least 225 226 seven (7) days prior to entering into a representation agreement 227 with any individual for the purpose of exploring or securing 228 compensation for use of the student-athlete's name, image or 229 likeness.

(7) Professional representation obtained by student-athletes
must be from persons registered as athlete agents as provided in
Section 73-42-1 et seq. of the Uniform Athlete Agent Act.
Attorneys who provide legal representation to student-athletes
must be licensed to practice law in the State of Mississippi and
in good standing with The Mississippi Bar.

(8) Athlete agents representing student-athletes shall
comply with the Uniform Athlete Agents Act, Section 73-42-1 et
seq., Mississippi Code of 1972, and the federal Sports Agent
Responsibility and Trust Act in 15 USC Sections 7801-7807 in their
relationships with student-athletes.

(9) A grant-in-aid, including cost of attendance, and other
 permissible financial aid, awards or benefits from the

S. B. No. 2313 **~ OFFICIAL ~** 21/SS36/R790SG PAGE 9 postsecondary educational institution in which a student-athlete is enrolled shall not be revoked, reduced, nor the terms and conditions altered, as a result of a student-athlete earning compensation or obtaining professional or legal representation pursuant to this act.

(10) Before any contract for compensation for the use of a student-athlete's name, image or likeness is executed, and before any compensation is provided to the student-athlete in advance of a contract, the student-athlete shall disclose the contract to a designated official of the postsecondary educational institution in which the student is enrolled in a manner prescribed by the institution.

255 (11) A third-party licensee may not enter into, or offer to 256 enter into, a name, image and likeness agreement with a 257 student-athlete or otherwise compensate a student-athlete for the 258 use of the student-athlete's name, image and likeness rights if a 259 provision of the name, image and likeness agreement or the use of the student-athlete's name, image and likeness rights conflicts 260 261 with a provision of a contract, rule, regulation, standard or 262 other requirement of the postsecondary educational institution 263 unless such contract or use is expressly approved in writing by 264 the postsecondary educational institution.

(12) No postsecondary educational institution, booster,
third-party licensee or any other individual or entity shall
provide a prospective or current student-athlete compensation or

S. B. No. 2313 **~ OFFICIAL ~** 21/SS36/R790SG PAGE 10 268 enter into a name, image and likeness agreement as an inducement 269 for the student-athlete to attend or enroll in a specific 270 institution or group of institutions. Compensation for a 271 student-athlete's name, image, or likeness may not be conditioned 272 on athletic performance or attendance at a particular 273 postsecondary educational institution.

(13) No student-athlete shall enter into a name, image, and likeness agreement or receive compensation from a third-party licensee relating to the name, image or likeness of the student-athlete before the date on which the student-athlete enrolls at a postsecondary educational institution.

279 (14) No student-athlete shall enter into a name, image, and 280 likeness agreement or receive compensation from a third-party 281 licensee for the endorsement or promotion of gambling, sports 282 betting, controlled substances, marijuana, tobacco or alcohol 283 company, brand or products, alternative or electronic nicotine 284 product or delivery system, performance-enhancing supplements, adult entertainment or any other product or service that is 285 286 reasonably considered to be inconsistent with the values or mission of a postsecondary educational institution or that 287 288 negatively impacts or reflects adversely on a postsecondary 289 education institution or its athletic programs, including, without 290 limitation, bringing about public disrepute, embarrassment, scandal, ridicule or otherwise negatively impacting the reputation 291

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292 or the moral or ethical standards of the postsecondary educational 293 institution.

(15) A contract for the use of the a student-athlete's name, image, or likeness which is formed while the student-athlete is participating in an intercollegiate sport at a postsecondary educational institution may not extend beyond the student-athlete's participation in the sport at the institution.

(16) Nothing in this act shall be interpreted to modify any
requirements or obligations imposed under Title IX of the
Education Amendments of 1972 (20 USC 1681 et seq.).

302 SECTION 5. The following shall be codified as Section 303 93-19-17, Mississippi Code of 1972:

<u>93-19-17.</u> (1) All persons eighteen (18) years of age or
 older, if not otherwise disqualified, or prohibited by law, shall
 have the capacity to enter into binding contractual relationships
 affecting the use of their name, image or likeness while
 participating in intercollegiate sports as student-athletes.
 Nothing in this section shall be construed to affect any contracts
 entered into prior to the effective date of this act.

311 (2) In any legal action founded on a student-athlete name, 312 image or likeness contract entered into by a person eighteen (18) 313 years of age or older, the person may sue in his or her own name 314 as an adult and be sued in his or her own name as an adult and be 315 served with process as an adult.

316 (3) For purposes of this section:

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(a) "Intercollegiate sport" means a sport played at the collegiate level for which eligibility requirements for participation by a student-athlete are established by a national association for the promotion or regulation of collegiate athletics; and

322 (b) "Student-athlete" means an individual who engages 323 in, is eligible to engage in, or may be eligible in the future to 324 engage in, any intercollegiate athletics program at a 325 postsecondary educational institution. If an individual is 326 permanently ineligible to participate in a particular 327 intercollegiate sport, the individual is not a student-athlete for 328 purposes of that sport.

329 **SECTION 6.** Section 73-42-3, Mississippi Code of 1972, is 330 amended as follows:

331 73-42-3. In this chapter:

(a) "Agency contract" means an agreement in which a
student-athlete authorizes a person to negotiate or solicit on
behalf of the student-athlete a professional-sports-services
contract, an endorsement contract, <u>compensation for the use of the</u>
<u>student-athlete's name, image or likeness</u>, or enrollment at any
educational institution that offers an athletic scholarship to the
student-athlete.

339 (b) "Athlete agent" means an individual who enters into
340 an agency contract with a student-athlete or, directly or
341 indirectly, recruits, induces or solicits a student-athlete to

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342 enter into an agency contract. The term does not include a 343 spouse, parent, sibling, grandparent or guardian of the 344 student-athlete or an individual acting solely on behalf of a 345 professional sports team or professional sports organization. The 346 term includes an individual who represents to the public that the 347 individual is an athlete agent.

348 (c) "Athletic director" means an individual responsible 349 for administering the overall athletic program of an educational 350 institution or, if an educational institution has separately 351 administered athletic programs for male students and female 352 students, the athletic program for males or the athletic program 353 for females, as appropriate.

354 (d) "Contact" means a communication, direct or
355 indirect, written or oral, between an athlete agent and a
356 student-athlete, to recruit, induce or solicit the student-athlete
357 to enter into an agency contract.

358

(e) "Endorsement contract" means:

359 (i) An agreement under which a student-athlete is 360 employed or receives consideration or anything of value for the 361 student-athlete's publicity, reputation, following, or fame 362 obtained because of the student-athlete's athletic ability or 363 performance * * *; and

364 (ii) An agreement under which a student-athlete
365 receives compensation, consideration or anything of value for the
366 use of the student-athlete's name, image or likeness.

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(f) "Intercollegiate sport" means a sport played at the collegiate level for which eligibility requirements for participation by a student-athlete are established by a national association for the promotion or regulation of collegiate athletics.

(g) "Person" means an individual, corporation, business
trust, estate, trust, partnership, limited liability company,
association, joint venture, government; governmental subdivision,
agency or instrumentality; public corporation, or any other legal
or commercial entity.

377 (h) "Professional-sports-services contract" means an
378 agreement under which an individual is employed or agrees to
379 render services as a player on a professional sports team, with a
380 professional sports organization, or as a professional athlete.

381 (i) "Record" means information that is inscribed on a 382 tangible medium or that is stored in an electronic or other medium 383 and is retrievable in perceivable form.

384 (j) "Registration" means registration as an athlete385 agent pursuant to this chapter.

386 (k) "State" means a state of the United States, the
387 District of Columbia, Puerto Rico, the United States Virgin
388 Islands, or any territory or insular possession subject to the
389 jurisdiction of the United States.

390 (1) "Student-athlete" means an individual who engages391 in, is eligible to engage in, or may be eligible in the future to

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392 engage in, a sport for a professional sports team or in any 393 intercollegiate sport at any educational institution. If an 394 individual is permanently ineligible to participate in a 395 particular intercollegiate sport, the individual is not a 396 student-athlete for purposes of that sport.

397 SECTION 7. No postsecondary educational institution shall be 398 subject to a claim for damages of any kind under this act, 399 including, without limitation, a claim for unfair trade or 400 competition or tortious interference. No postsecondary 401 educational institution shall be subject to a claim for damages related to its adoption, implementation or enforcement of any 402 contract, rule, regulation, standard or other requirement in 403 404 compliance with this act. The act is not intended to and shall 405 not waive or diminish any applicable defenses and immunities, including, without limitation, sovereign immunity applicable to 406 407 postsecondary educational institutions.

408 **SECTION 8.** This act shall take effect and be in force from 409 and after July 1, 2021.

S. B. No. 2313 21/SS36/R790SG PAGE 16 ST: Mississippi Intercollegiate Athletics Compensation Rights Act; allow athletes to be compensated for name, image and likeness.