SUBSTITUTE FOR HOUSE BILL NO. 4816

A bill to prohibit high schools and certain athletic organizations from preventing high school student athletes in this state from receiving compensation from the use of their name, image, or likeness rights under certain circumstances and to establish standards for the exercise of these name, image, or likeness rights.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- Sec. 1. This act may be cited as the "compensation of high
 school student athletes act".
- 3 Sec. 2. As used in this act:
- 4 (a) "Athletic association" means an entity that operates for
 5 the purpose of developing common rules for the eligibility and
 6 competition of high school student athletes in this state.



- 1 (b) "High school" means a nonpublic school or public school2 that offers at least 1 of grades 9 to 12.
- 3 (c) "Nonpublic school" means that term as defined in section 54 of the revised school code, 1976 PA 451, MCL 380.5.
- 5 (d) "Public school" means that term as defined in section 5 of 6 the revised school code, 1976 PA 451, MCL 380.5.
- 7 Sec. 3. (1) Except as otherwise provided in this act, a
 8 student athlete of a high school may earn compensation from the
 9 student athlete's use of the student athlete's name, image, and
 10 likeness rights under this act from activities such as commercials,
- 11 product endorsements, personal appearances, autograph sessions,
- merchandise or apparel sales, group licensing, or acting as a
 social media influencer.
- (2) A student athlete of a high school may not earn
 compensation from the student athlete's use of the student
 athlete's name, image, and likeness rights under this act from
 activities that involve, display, or endorse any of the following:
- 18 (a) An adult entertainment product or service.
- 19 (b) An alcohol product.
- 20 (c) A tobacco or electronic smoking product or device.
- 21 (d) A controlled substance.
- (e) Any form of gambling, including, but not limited to,sports betting and horse racing.
- 24 (f) A weapon, firearm, or ammunition.
- 25 (g) A nutritional supplement.
- Sec. 5. (1) A student athlete of a high school may not enter into a written agreement or contract with a third party to earn compensation from the student athlete's use of the student athlete's name, image, and likeness rights under this act if any of



- 1 the following apply:
- (a) The third party is an entity that was formed for the
 express purpose of receiving or pooling funds to create or provide
 name, image, and likeness opportunities for student athletes.
- 5 (b) The agreement or contract is contingent on the student6 athlete's athletic performance or achievement.
- 7 (c) The agreement or contract requires the student athlete to
 8 miss school or instructional time to meet the obligations of the
 9 agreement or contract.
- (2) In addition to any prohibition described in subsection

 (1), a student athlete of a high school shall not enter into an

 apparel contract with a third party to earn compensation from the

 student athlete's use of the student athlete's name, image, or

 likeness rights, if the contract requires the student athlete to

 display a sponsor's apparel, or otherwise advertise for a sponsor,

 during an official team activity.
 - Sec. 7. (1) A student athlete of a high school who intends to enter into a verbal or written opportunity or contract that would provide compensation to the student athlete for use of the student athlete's name, image, or likeness rights shall disclose the proposed opportunity or contract to an official of the Michigan High School Athletic Association, at least 7 days before committing to the opportunity or contract, for review by the Michigan High School Athletic Association.
 - (2) If the Michigan High School Athletic Association under subsection (1) identifies a conflict with the student athlete's proposed opportunity or contract, the Michigan High School Athletic Association shall communicate that conflict to the student athlete so that the student athlete may negotiate a revision of the

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- opportunity or contract to avoid the conflict, and that revision is
 subject to additional review and approval by the Michigan High
 School Athletic Association in accordance with this section.
- 4 (3) A policy of a high school's athletic program must not 5 prevent a student athlete of the high school from receiving 6 compensation for using the student athlete's name, image, or 7 likeness rights for a commercial purpose when the student is not 8 engaged in an official team activity, including participating in or 9 being part of an advertisement that was created while not engaged 10 in an official team activity but that may otherwise be broadcasted, 11 displayed, or disseminated at any time.
- (4) This section does not apply to a contract entered into,modified, or renewed on or before the effective date of this act.
- Sec. 9. A high school shall not uphold any rule, requirement, standard, or other limitation that prevents a student of that high school from fully participating in high school athletics based on that student earning compensation from the student's use of the student's name, image, or likeness rights.
- Sec. 11. A high school or any officer, director, or employee
 of the high school, including, but not limited to, a coach, a
 member of a coach staff, or any individual associated with the high
 school athletic department, shall not do any of the following
 relating to a student athlete's name, image, likeness rights, or
 athletic reputation:
 - (a) Identify or otherwise assist with opportunities for a student athlete to earn compensation from a third party.
 - (b) Serve as a student athlete's agent.
- (c) Receive compensation from the student athlete or a thirdparty for facilitating or enabling those opportunities.

- (d) Attempt to influence the student athlete's high school of
 enrollment or choice of professional representation related to
 those opportunities.
- 4 (e) Attempt to reduce the student athlete's opportunities from5 competing third parties.
- (f) Attend any meeting at which a contract for compensation
 from those opportunities is negotiated or completed between the
 student athlete and a third party.
- 9 Sec. 13. An athletic association, conference, or other group 10 or organization with authority over high school athletics shall not 11 do either of the following:
- (a) Prevent a student of a high school from fully
 participating in high school athletics based on the student earning
 compensation from the student's use of the student's name, image,
 or likeness rights.
- (b) Prevent a high school from fully participating in high school athletics without penalty based on a student of the high school's use of the student's name, image, or likeness rights.
- 19 Sec. 15. (1) A high school, athletic association, conference, 20 or other group or organization with authority over high school 21 athletics shall not do any of the following:
 - (a) Provide a student athlete of a high school or a prospective student athlete of a high school with compensation in relation to the student athlete's name, image, or likeness rights.
 - (b) Prevent a student athlete of a high school from obtaining professional representation in relation to contracts or legal matters regarding opportunities to be compensated, including, but not limited to, representation provided by an athlete agent or legal representation provided by an attorney.

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- 1 (c) Prevent a student athlete of a high school from earning
- 2 compensation from a third party as a result of the student's name,
- 3 image, likeness rights, or athletic reputation, so long as the
- 4 student's contract with the third party does not require the
- 5 student to advertise for a sponsor in person during an official,
- 6 mandatory team activity. As used in this subdivision,
- 7 "compensation" includes food, shelter, medical expenses, insurance,
- 8 cash, barters, free products, and discounts.
- 9 (2) As used in this section, "group" includes, but is not
- 10 limited to, a booster club, a dad's club, or an athletic
- 11 foundation.
- 12 Sec. 17. (1) A high school, athletic association, conference,
- 13 or other group or organization with authority over high school
- 14 athletics shall not interfere with or prevent a student from fully
- 15 participating in high school athletics based on the student
- 16 obtaining professional representation in relation to contracts or
- 17 legal matters regarding the student's opportunities to earn
- 18 compensation, including, but not limited to, representation
- 19 provided by an athlete agent or financial advisor, or legal
- 20 representation provided by an attorney.
- 21 (2) An athletic association, conference, or other group or
- 22 organization with authority over high school athletics shall not
- 23 prevent a high school from fully participating in high school
- 24 athletics without penalty as a result of a student of the high
- 25 school obtaining professional representation in relation to
- 26 contracts or legal matters regarding the student's opportunities to
- 27 earn compensation, including, but not limited to, representation
- 28 provided by an athlete agent or financial advisor, or legal
- 29 representation by an attorney.

- (3) For purposes of this section, professional representation
 by an athlete agent, financial advisor, or attorney must be
 provided by persons licensed in this state, as applicable.
- 4 Sec. 19. A legal settlement arising under this act must not permit noncompliance with this act.
- Sec. 21. (1) By December 31, 2024, and by December 31, 2025, any nonprofit trade association that represents high schools in this state shall provide to the department of education for each of those years, respectively, a written summary of any congressional action on legislation on student athlete name, image, and likeness compensation.
 - (2) By June 30, 2026, any nonprofit trade association that represents high schools in this state shall provide to the department of education a written summary of the preparedness of the association's respective member high schools in implementing this act.
- Sec. 23. (1) This act does not require a high school, athletic association, conference, or other group or organization with authority over high school athletics to identify, create, facilitate, negotiate, or otherwise enable opportunities for a student athlete of a high school to earn compensation for the student's use of the student's name, image, or likeness rights.
 - (2) This act does not establish or bestow the right of a student to use the name, trademarks, services marks, logos, symbols, or any other intellectual property, whether registered or not, of a high school, athletic association, conference, or other group or organization with authority over high school athletics, in furtherance of the student's opportunities to earn compensation for the student's use of the student's name, image, or likeness rights.

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- 1 (3) This act does not limit the right of a high school or2 athletic association to establish and enforce any of the following:
- 3 (a) Academic standards, requirements, regulations, or4 obligations for its students.
 - (b) Team rules of conduct or other rules of conduct.
- 6 (c) Standards or policies regarding the governance or7 operation of or participation in high school varsity athletics.
- 8 (d) Disciplinary rules and standards generally applicable to9 all students of the high school.
- 10 (e) Rules relating to amateur status that do not conflict with 11 this act.

