

ASSEMBLY BILL NO. 254—ASSEMBLYMEN FRIERSON, WATTS, JAUREGUI, C.H. MILLER, CARLTON; BILBRAY-AXELROD, BROWN-MAY, GONZÁLEZ, GORELOW, MARTINEZ, MARZOLA, BRITTNEY MILLER, MONROE-MORENO, ORENTLICHER, THOMAS AND TORRES

MARCH 12, 2021

Referred to Committee on Education

SUMMARY—Revises provisions governing collegiate athletics. (BDR 34-879)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to education; prohibiting certain entities from compensating a student athlete for the use of the name, image or likeness of the student athlete; providing that a student athlete may be compensated for the use of the name, image or likeness of the student athlete by certain organizations; directing the Legislative Committee on Education to appoint a committee to conduct an interim study relating to the use of the name, image or likeness of a student athlete; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 This bill establishes various provisions relating to student athletes at the
- 2 postsecondary level. **Section 5** of this bill generally prohibits an institution or a
- 3 national collegiate athletic association from: (1) preventing a student athlete from
- 4 being compensated for the use of the name, image or likeness of the student athlete
- 5 or obtaining professional services, with certain exceptions; and (2) compensating a
- 6 student athlete for the use of the name, image or likeness of the student athlete.
- 7 **Section 6** of this bill authorizes a student athlete to enter into a contract with an
- 8 organization other than an institution or a national collegiate athletic association
- 9 that provides for the student athlete to be compensated for the use of the name,
- 10 image or likeness of the student athlete. **Section 6** prohibits such a contract from
- 11 conflicting with a contract between the student athlete and the institution in which
- 12 the student athlete is enrolled. **Section 6** sets forth the responsibilities of a student
- 13 athlete and the institution regarding such a contract.



14 **Section 6.3** of this bill authorizes an institution to require a student athlete to
15 receive education to prepare a student athlete to enter into contracts. **Section 6.7** of
16 this bill requires a student athlete to disclose any previous or existing contracts held
17 by the student athlete that provided or provides for the student athlete to be
18 compensated for the use of the name, image or likeness of the student athlete.

19 **Section 8** of this bill requires the Legislative Committee on Education to
20 appoint a committee to conduct an interim study concerning the use of the name,
21 image and likeness of a student athlete.

22 **Sections 2-4** of this bill define related terms. **Section 7** of this bill makes a
23 conforming change to indicate the proper placement of **sections 2-4** in the Nevada
24 Revised Statutes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 398 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 6.7, inclusive, of this
3 act.

4 **Sec. 2.** *“Compensation” does not include, without limitation,*
5 *a scholarship.*

6 **Sec. 3.** *“Intercollegiate sport” means a sport played at the*
7 *collegiate level for which eligibility requirements for participation*
8 *by a student athlete are established by a national association that*
9 *promotes or regulates collegiate athletics.*

10 **Sec. 4.** *“Student athlete” means a person who is eligible to*
11 *attend an institution and engages in, is eligible to engage in, or*
12 *may be eligible in the future to engage in, any intercollegiate*
13 *sport. The term does not include a person permanently ineligible*
14 *to participate in a particular intercollegiate sport for that sport.*

15 **Sec. 5. 1.** *An institution shall not:*

16 (a) *Uphold or enforce any rule of a national collegiate athletic*
17 *association that prevents a student athlete enrolled in the*
18 *institution from being compensated for the use of the name, image*
19 *or likeness of the student athlete by an organization other than the*
20 *institution or a national collegiate athletic association;*

21 (b) *Except as otherwise provided by subsection 2, prevent a*
22 *student athlete from being compensated for the use of the name,*
23 *image or likeness of the student athlete;*

24 (c) *Compensate a prospective or current student athlete of the*
25 *institution for the use of the name, image or likeness of the*
26 *student athlete;*

27 (d) *Prevent a student athlete from obtaining professional*
28 *services; or*

29 (e) *Alter, withhold or otherwise reduce the amount of a*
30 *scholarship awarded to a student athlete solely because a student*
31 *athlete is compensated for the use of the name, image or likeness*



1 of the student athlete by an organization other than the institution
2 or a national collegiate athletic association or because the student
3 athlete obtains professional services.

4 2. An institution may:

5 (a) Adopt a policy that imposes reasonable restrictions on a
6 student athlete entering into a contract pursuant to section 6 of
7 this act that provides for the student athlete to be compensated for
8 the use of the name, image or likeness of the student athlete with
9 an organization or person whose goods, services or mission are
10 contrary to the mission of the institution; and

11 (b) Prohibit a student athlete from being compensated for the
12 use of the name, image or likeness of the student athlete if the use
13 of the name, image or likeness is related to official activities of the
14 institution or intercollegiate sports at the institution.

15 3. A national collegiate athletic association shall not:

16 (a) Prevent a student athlete enrolled at an institution from
17 participating in intercollegiate sports solely because the student
18 athlete is compensated for the use of the name, image or likeness
19 of the student athlete by an organization other than the institution
20 or the national collegiate athletic association;

21 (b) Prevent an institution from being a member of or
22 participating in the activities of the national collegiate athletic
23 association solely because a student athlete who is enrolled at the
24 institution is compensated for the use of the name, image or
25 likeness of the student athlete by an organization other than the
26 institution or the national collegiate athletic association;

27 (c) Compensate a prospective or current student athlete of an
28 institution for the use of the name, image or likeness of the
29 student athlete; or

30 (d) Prevent a student athlete from obtaining professional
31 services.

32 4. As used in this section, "professional services" includes,
33 without limitation, representation regarding contracts or other
34 legal matters, including, without limitation, representation
35 provided by an attorney or an athlete agent registered pursuant to
36 chapter 398A of NRS.

37 **Sec. 6. 1.** A student athlete may enter into a contract with
38 an organization other than an institution or a national collegiate
39 athletic association that provides for the student athlete to be
40 compensated for the use of the name, image or likeness of the
41 student athlete. A contract entered into pursuant to this subsection
42 may not conflict with any provision of a contract between the
43 student athlete and the institution in which the student athlete is
44 enrolled.



1 2. *A student athlete who enters into a contract pursuant to*
2 *subsection 1 must disclose the contract to the institution in which*
3 *the student athlete is enrolled.*

4 3. *If the institution in which the student athlete is enrolled*
5 *alleges that a provision of a contract entered into pursuant to*
6 *subsection 1 conflicts with a provision of a contract between the*
7 *student athlete and the institution, the institution shall inform the*
8 *student athlete and, if the student athlete has legal representation,*
9 *the attorney of the student athlete of the alleged conflict.*

10 **Sec. 6.3.** *An institution may require a student athlete to take*
11 *courses or receive education or training in contracts, financial*
12 *literacy or any other subject the institution deems necessary to*
13 *prepare a student athlete to enter into contracts.*

14 **Sec. 6.7.** *A prospective student athlete shall disclose any*
15 *previous or existing contract held by the student athlete that*
16 *provided or provides for the student athlete to be compensated for*
17 *the use of the name, image or likeness of the student athlete to an*
18 *institution before signing a letter of intent with the institution.*

19 **Sec. 7.** NRS 398.005 is hereby amended to read as follows:
20 398.005 As used in this chapter, unless the context otherwise
21 requires, the words and terms defined in NRS 398.045, 398.055 and
22 398.061 *and sections 2, 3 and 4 of this act* have the meanings
23 ascribed to them in those sections.

24 **Sec. 8.** 1. The Legislative Committee on Education shall
25 appoint a committee to conduct an interim study concerning the use
26 of the name, image and likeness of a student athlete.

27 2. The interim committee must consist of:

28 (a) The Chancellor of the Nevada System of Higher Education,
29 or his or her designee;

30 (b) A representative of a community college athletic association
31 located in this State, if any;

32 (c) At least two student athletes enrolled in a community
33 college, state college or university in this State;

34 (d) An administrator of an athletics program at a community
35 college, state college or university in this State;

36 (e) A coach of an athletics program at a community college,
37 state college or university in this State;

38 (f) One member appointed by the Speaker of the Assembly; and

39 (g) One member appointed by the Majority Leader of the
40 Senate.

41 3. The Legislative Committee on Education shall appoint a
42 Chair and Vice Chair from among the members of the interim
43 committee.

44 4. The interim committee shall study and examine existing
45 bylaws of state collegiate athletic associations and national



1 collegiate athletic associations and state and federal laws relating to
2 compensating a student athlete for the use of the name, image or
3 likeness of the student athlete.

4 5. The Legislative Committee on Education shall submit a
5 report of the results of the study, including any recommendations for
6 legislation to the Director of the Legislative Counsel Bureau for
7 transmission to the 82nd Session of the Nevada Legislature.

8 6. As used in this section:

9 (a) "National collegiate athletic association" has the meaning
10 ascribed to it in NRS 398.055.

11 (b) "Student athlete" means a person who is eligible to attend an
12 institution and engages in, is eligible to engage in, or may be
13 eligible in the future to engage in, any intercollegiate sport. The
14 term does not include a person permanently ineligible to participate
15 in a particular intercollegiate sport for that sport.

16 **Sec. 9.** 1. This section and section 8 become effective upon
17 passage and approval.

18 2. Sections 1 to 7, inclusive, of this act become effective:

19 (a) Upon passage and approval for the purpose of adopting
20 regulations and performing any preparatory administrative tasks that
21 are necessary to carry out the provisions of this act; and

22 (b) On January 1, 2022, for all other purposes.



