



# State of Tennessee

## PUBLIC CHAPTER NO. 823

### SENATE BILL NO. 709

By Stevens, Reeves

Substituted for: House Bill No. 1059

By Vaughan, Lafferty, Lamberth, Brock Martin, Moody, Zachary, White, Clemmons, Burkhart, Raper, Parkinson, Hardaway, Towns

AN ACT to amend Tennessee Code Annotated, Title 49, relative to higher education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, Part 28, is amended by deleting the part and substituting:

#### **49-7-2801. Part definitions.**

As used in this part, unless the context otherwise requires:

- (1) "Athlete agent" has the same meaning as defined in § 49-7-2102;
- (2) "Athletic program" means an intercollegiate athletic program at an institution;
- (3) "Institution":
  - (A) Means a four-year public or private institution of higher education located in this state; and
  - (B) Does not include an institution of higher education governed by the board of regents of the state university and community college system; and
- (4) "Intercollegiate athlete" means a student who is enrolled in an institution and participates in an athletic program or a prospective student who has started or completed ninth grade and can, in the future, enroll in an institution and participate in an athletic program.

#### **49-7-2802. Compensation for use of intercollegiate athlete's name, image, or likeness.**

(a) An intercollegiate athlete may earn compensation and perform diligence for the use of the intercollegiate athlete's own name, image, or likeness. An intercollegiate athletic association shall not unfairly restrict an intercollegiate athlete's ability to earn compensation for, or perform diligence related to, the intercollegiate athlete's name, image, or likeness rights.

(b)(1) An institution and its affiliated foundations, or an officer, director, or employee thereof, including athletic coaches and staff, shall not compensate an intercollegiate athlete for the intercollegiate athlete's name, image, or likeness unless expressly permitted by federal law, a court order, or the institution's athletic association; provided, that no athletic association shall, in any way, abridge an individual's property rights under title 47, chapter 25, part 11, or restrict an intercollegiate athlete's ability to earn compensation, obtain representation, or perform diligence for the same under this part.

(2) Neither a grant-in-aid for athletics awarded to an intercollegiate athlete by an institution, including the cost of attendance, nor an institution's involvement in

support of name, image, or likeness activities under this part constitutes compensation to, or representation of, an intercollegiate athlete by the institution for purposes of this part so long as the institution does not coerce, compel, or interfere with an intercollegiate athlete's decision to earn compensation from or obtain representation in connection with a specific name, image, or likeness opportunity.

(c) An institution and its affiliated foundations, or an officer, director, or employee thereof, including athletic coaches and staff, must not be held liable to a third party or an intercollegiate athlete for any damages, losses, or claims of any kind resulting from, or related to, its good faith decisions, actions, or involvement in name, image, or likeness activities taken in the course of its participation in intercollegiate athletics.

(d) Intercollegiate athletes who earn compensation for the use of the athlete's name, image, or likeness must disclose any agreement and the terms of such agreement to the institution and file annual reports with the institution in which they are enrolled, at a time and in a manner designated by the institution. The report must include the identities of entities or persons who provide compensation to the intercollegiate athlete, the amount of compensation received from each person or entity, and any other information the institution deems relevant for determining such identities and compensation.

(e) An institution shall not adopt or maintain a rule, regulation, standard, or other requirement that prevents or unduly restricts an intercollegiate athlete from earning compensation for the use of the athlete's name, image, or likeness. Any diligence performed or compensation earned does not affect the intercollegiate athlete's grant-in-aid or athletic eligibility. To the extent that intercollegiate athletes receive need-based financial aid, an institution may adjust an intercollegiate athlete's need-based financial aid as a result of compensation earned for the athlete's name, image, or likeness in the same manner as the institution would for other students with equivalent levels of financial need.

(f) An institution may adopt reasonable time, place, and manner restrictions to prevent an intercollegiate athlete's name, image, or likeness activities from interfering with team activities, the institution's operations, or the use of the institution's facilities.

(g)(1) An institution may prohibit an intercollegiate athlete's involvement in name, image, and likeness activities that are reasonably considered to be in conflict with the values of the institution.

(2) An institution may prohibit use of the institution's intellectual property, including, but not limited to, its trademarks, trade dress, and copyrights, by the institution's intercollegiate athletes in the athletes' personal name, image, and likeness activities.

(3) Intercollegiate athletes are prohibited from involvement in name, image, or likeness activities that promote gambling, tobacco, alcohol, and adult entertainment.

(h)(1) An intercollegiate athlete may obtain representation by a third party, including, but not limited to, an athlete agent, for the purpose of performing diligence and securing compensation for the use of the athlete's name, image, or likeness. Any third-party representative of an intercollegiate athlete under this part is a fiduciary for the represented intercollegiate athlete. All athlete agents who represent intercollegiate athletes under this part for purposes of securing compensation for the use of the athlete's name, image, or likeness must be licensed under § 49-7-2104, and must satisfy the requirements of chapter 7, part 21 of this title. If the athlete's representative is an attorney who represents an intercollegiate athlete for purposes of performing diligence and securing compensation for the use of the athlete's name, image, or likeness, then the attorney must be active and in good standing with the board of professional responsibility or equivalent entity in the state in which the attorney is licensed.

(2) Parents, siblings, grandparents, spouses, and legal guardians of an intercollegiate athlete who represent the intercollegiate athlete for the purpose of performing diligence and securing compensation for the use of the intercollegiate athlete's name, image, or likeness are not considered to be athlete agents for purposes of this part and are not subject to the requirements for athlete agents as prescribed by this part or part 21 of this chapter.

(3) An institution and its affiliated foundations, or an officer, director, or employee thereof, including athletic coaches and staff, who assist, facilitate, or otherwise provide support to an intercollegiate athlete for the purpose of performing

diligence and securing compensation for the use of the intercollegiate athlete's name, image, or likeness are not and must not be considered to be athlete agents for purposes of this part, and are not subject to the requirements for athlete agents as prescribed by this part or part 21 of this chapter; provided, that such individual does not have a direct pecuniary or financial interest in the terms of the student athlete's compensation.

(i)(1) An intercollegiate athlete or the athlete's representative shall not enter into an agreement for compensation for the use of the athlete's name, image, or likeness if the agreement conflicts or unreasonably competes with the terms of an existing agreement entered into by the institution the athlete attends.

(2) The institution asserting a conflict or unreasonable competition under this subsection (i) shall disclose the relevant terms of the institution's existing agreement that conflicts or unreasonably competes with the athlete's agreement to the intercollegiate athlete or the athlete's representative.

(j) Any agreement entered into by an intercollegiate athlete under eighteen (18) years of age for the use of the athlete's name, image, or likeness must be in accordance with the Tennessee Protection of Minor Performers Act, compiled in title 50, chapter 5, part 2.

(k) An agreement for representation of an intercollegiate athlete or to compensate for the use of an intercollegiate athlete's name, image, or likeness must not be in effect any longer than the duration of the athlete's participation in an athletic program at an institution.

(l) Institutions shall conduct a financial literacy workshop for intercollegiate athletes during the athlete's first full-time term of enrollment. The workshop must cover, at a minimum, information related to the requirements of this part, budgeting, and debt management. An institution may contract with qualified persons or entities to conduct the workshop.

**49-7-2803. Interference with intercollegiate athlete's ability to earn compensation prohibited.**

An intercollegiate athletic association, including through its governing actions, sanctions, bylaws, and rules, shall not interfere with an intercollegiate athlete's ability to earn compensation, seek representation, or perform diligence in accordance with this part and shall not otherwise impact an intercollegiate athlete's eligibility or full participation in intercollegiate athletic events, unless the intercollegiate athlete has committed a violation of an institution's rules, or this chapter is invalidated or rendered unenforceable by operation of law. The attorney general and reporter may bring any appropriate action or proceeding against an intercollegiate athletic association in any court of competent jurisdiction pursuant to this part.

SECTION 2. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.


SENATE BILL NO. 709

PASSED: April 16, 2024

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 1<sup>st</sup> day of May 2024

  
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BILL LEE, GOVERNOR