

HOUSE BILL NO. 4816

June 15, 2023, Introduced by Reps. Wilson, Wegela, Grant, Hoskins, Tyrone Carter, McFall, Witwer and Puri and referred to the Committee on Education.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "compensation of high
2 school student athletes act".

3 Sec. 3. As used in this act:

4 (a) "Athletic association" means an entity that operates for

1 the purpose of developing common rules for the eligibility and
2 competition of high school student athletes in this state.

3 (b) "High school" means a nonpublic school or public school
4 that offers at least 1 of grades 9 to 12.

5 (c) "Nonpublic school" means that term as defined in section 5
6 of the revised school code, 1976 PA 451, MCL 380.5.

7 (d) "Public school" means that term as defined in section 5 of
8 the revised school code, 1976 PA 451, MCL 380.5.

9 Sec. 5. (1) A high school shall not uphold any rule,
10 requirement, standard, or other limitation that prevents a student
11 of that high school from fully participating in high school
12 athletics based on the student earning compensation as a result of
13 the student's use of the student's name, image, or likeness rights.

14 (2) The earning of compensation by a student athlete of a high
15 school from the use of the student's name, image, or likeness
16 rights must not affect the student's scholarship eligibility or
17 renewal.

18 Sec. 7. An athletic association, conference, or other group or
19 organization with authority over high school athletics shall not do
20 either of the following:

21 (a) Prevent a student of a high school from fully
22 participating in high school athletics based on the student earning
23 compensation as a result of the student's use of the student's
24 name, image, or likeness rights.

25 (b) Prevent a high school from fully participating in high
26 school athletics without penalty based on a student of the high
27 school's use of the student's name, image, or likeness rights.

28 Sec. 9. A high school, athletic association, conference, or
29 other group or organization with authority over high school

1 athletics shall not do any of the following:

2 (a) Provide a prospective student athlete of a high school
3 with compensation in relation to the prospective student athlete's
4 name, image, or likeness rights.

5 (b) Prevent a student athlete of a high school from obtaining
6 professional representation in relation to contracts or legal
7 matters regarding opportunities to be compensated, including, but
8 not limited to, representation provided by an athlete agent or
9 legal representation provided by an attorney.

10 (c) Prevent a student athlete of a high school from earning
11 compensation from a third party as a result of the student's name,
12 image, likeness rights, or athletic reputation, so long as the
13 student's contract with the third party does not require the
14 student to advertise for a sponsor in person during official,
15 mandatory team activities. As used in this subdivision,
16 "compensation" includes food, shelter, medical expenses, and
17 insurance.

18 Sec. 11. For purposes of this act, an athletics grant-in-aid
19 or stipend scholarship from the high school of a student is not
20 compensation for use of the student's name, image, or likeness
21 rights, and the high school shall not revoke or reduce an athletics
22 grant-in-aid or stipend scholarship based on the student earning
23 compensation in accordance with this act.

24 Sec. 13. (1) A high school, athletic association, conference,
25 or other group or organization with authority over high school
26 athletics shall not interfere with or prevent a student from fully
27 participating in high school athletics based on the student
28 obtaining professional representation in relation to contracts or
29 legal matters regarding the student's opportunities to earn

1 compensation, including, but not limited to, representation
2 provided by an athlete agent or financial advisor, or legal
3 representation provided by an attorney.

4 (2) An athletic association, conference, or other group or
5 organization with authority over high school athletics shall not
6 prevent a high school from fully participating in high school
7 athletics without penalty as a result of a student of the high
8 school obtaining professional representation in relation to
9 contracts or legal matters regarding the student's opportunities to
10 earn compensation, including, but not limited to, representation
11 provided by an athlete agent or financial advisor, or legal
12 representation by an attorney.

13 (3) For purposes of this section, professional representation
14 by an athlete agent, financial advisor, or attorney must be
15 provided by persons licensed in this state, as applicable.

16 Sec. 15. A student athlete of a high school shall not enter
17 into an apparel contract providing compensation to the student for
18 use of the student's name, image, or likeness rights that requires
19 the student to display a sponsor's apparel, or otherwise advertise
20 for a sponsor, during official team activities if the provision is
21 in conflict with a contract regarding the student's athletic team.

22 Sec. 17. (1) A student athlete of a high school who intends to
23 enter into a verbal or written opportunity or contract that would
24 provide compensation to the student for use of the student's name,
25 image, or likeness rights shall disclose the proposed opportunity
26 or contract to an official of the high school, as designated by the
27 high school, at least 7 days before committing to the opportunity
28 or contract, for review by the high school.

29 (2) If the high school described in subsection (1) identifies

1 a conflict between the student's proposed opportunity or contract
2 and any existing agreements of the high school, the high school
3 shall communicate that conflict to the student so that the student
4 may negotiate a revision of the opportunity or contract to avoid
5 the conflict and that revision is subject to additional review and
6 approval by the high school in accordance with this section.

7 (3) A team contract of a high school's athletic program must
8 not prevent a student athlete from receiving compensation for using
9 the student's name, image, or likeness rights for a commercial
10 purpose when the student is not engaged in official team
11 activities, including participating in or being part of an
12 advertisement that was created while not engaged in official team
13 activities but that may otherwise be broadcasted, displayed, or
14 disseminated at any time.

15 (4) This section does not apply to a contract entered into,
16 modified, or renewed on or before the effective date of this act.

17 Sec. 19. A legal settlement arising under this act must not
18 permit noncompliance with this act.

19 Sec. 21. (1) By December 31, 2024, and by December 31, 2025,
20 any nonprofit trade association that represents high schools in
21 this state shall provide for each of those years, respectively, to
22 the chair of the appropriations committee of the house of
23 representatives and the chair of the appropriations committee of
24 the senate a written summary of any congressional action on
25 legislation on student athlete name, image, and likeness
26 compensation.

27 (2) By June 30, 2026, any nonprofit trade association that
28 represents high schools in this state shall provide to the chair of
29 the appropriations committee of the house of representatives and

1 the chair of the appropriations committee of the senate a written
2 summary of the preparedness of the association's respective member
3 high schools in implementing this act.

4 Sec. 23. (1) This act does not require a high school, athletic
5 association, conference, or other group or organization with
6 authority over high school athletics to identify, create,
7 facilitate, negotiate, or otherwise enable opportunities for a
8 student athlete of a high school to earn compensation for the
9 student's use of the student's name, image, or likeness rights.
10 However, a high school or any officer, director, or employee of the
11 high school, including, but not limited to, a coach, a member of a
12 coach staff, or any individual associated with the high school
13 athletic department, may identify or otherwise assist with
14 opportunities for a student to earn compensation from a third party
15 for the use of the student's name, image, likeness rights, or
16 athletic reputation, provided that the high school or individual
17 does not do any of the following:

18 (a) Serve as a student's agent.

19 (b) Receive compensation from the student or a third party for
20 facilitating or enabling those opportunities.

21 (c) Attempt to influence the student athlete's choice of
22 professional representation related to those opportunities.

23 (d) Attempt to reduce the student's opportunities from
24 competing third parties.

25 (e) Attend any meeting at which a contract for compensation
26 for the use of the student's name, image, likeness rights, or
27 athletic reputation is negotiated or completed between the student
28 and a third party.

29 (2) This act does not establish or bestow the right of a

1 student to use the name, trademarks, services marks, logos,
2 symbols, or any other intellectual property, whether registered or
3 not, of a high school, athletic association, conference, or other
4 group or organization with authority over high school athletics, in
5 furtherance of the student's opportunities to earn compensation for
6 the student's use of the student's name, image, or likeness rights.

7 (3) This act does not limit the right of a high school to
8 establish and enforce any of the following:

9 (a) Academic standards, requirements, regulations, or
10 obligations for its students.

11 (b) Team rules of conduct or other rules of conduct.

12 (c) Standards or policies regarding the governance or
13 operation of or participation in high school varsity athletics.

14 (d) Disciplinary rules and standards generally applicable to
15 all students of the high school.