SENATE HIGHER EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 971

STATE OF NEW JERSEY

DATED: JANUARY 30, 2020

The Senate Higher Education Committee reports favorably Senate Bill No. 971.

This bill allows certain collegiate student-athletes to earn compensation for the use of their name, image, or likeness. Under the bill, a four-year institution of higher education will be prohibited from upholding any rule, requirement, standard, or other limitation that prevents a student of that institution participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, or likeness. Earning compensation from the use of a student's name, image, or likeness will not affect the student's institutional scholarship eligibility.

The bill specifies, however, that a student is prohibited from earning compensation as a result of the use of the student's name, image, or likeness in connection with any person, company, or organization related to or associated with the development, production, distribution, wholesaling, or retailing of: adult entertainment products and services; alcohol products; casinos and gambling, including sports betting, the lottery, and betting in connection with video games, on-line games, and mobile devices; tobacco and electronic smoking products and devices; pharmaceuticals; controlled dangerous substances; and weapons, including firearms and ammunition.

Under the bill, a four-year institution is prohibited from being a member of any athletic association, conference, or other group or organization with authority over intercollegiate athletics, including but not limited to, the National Collegiate Athletic Association, that:

- prohibits a student-athlete participating in intercollegiate athletics from earning compensation as a result of the use of the student's name, image, or likeness;
- prohibits an institution of higher education from participating in intercollegiate athletics as a result of the compensation of a student-athlete for the use of the student's name, image, or likeness;
- provides a prospective student-athlete with compensation in relation to the student-athlete's name, image, or likeness; or

- prevents a New Jersey student participating in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters including, but not limited to, representation provided by athlete agents or legal representation provided by attorneys.

The bill provides that a student-athlete who enters into a contract providing compensation to the student-athlete for use of his name, image, or likeness must disclose the contract to an official of the four-year institution of higher education, to be designated by the institution. An institutional team contract may not prevent a student-athlete from using the athlete's name, image, or likeness for a commercial purpose when the athlete is not engaged in official team activities.