118th CONGRESS 1st Session

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To establish certain standards for student athlete name, image, and likeness agreements and to allow the establishment of a clearinghouse to regulate name, image, and likeness agreements, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

- To establish certain standards for student athlete name, image, and likeness agreements and to allow the establishment of a clearinghouse to regulate name, image, and likeness agreements, and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "College Sports NIL

5 Clearinghouse Act of 2023".

6 SEC. 2. DEFINITIONS.

7 In this Act:

1	(1) ATHLETIC ASSOCIATION.—The term "ath-
2	letic association" means any organization or other
3	group that—
4	(A) has 2 or more conferences as members;
5	and
6	(B) arranges, sets rules for, or regulates
7	varsity intercollegiate sports competition.
8	(2) ATHLETIC DEPARTMENT.—The term "ath-
9	letic department" means a department at an institu-
10	tion responsible for sponsoring 1 or more varsity
11	intercollegiate athletic programs.
12	(3) CERTIFIED AGENT.—The term "certified
13	agent" means an athlete agent (as defined in section
14	2 of the Sports Agent Responsibility and Trust Act
15	(15 U.S.C. 7801)), a contract advisor, a financial
16	advisor, a marketing representative, a brand man-
17	ager, or a similarly employed individual who is cer-
18	tified by the NIL Clearinghouse as being in full
19	compliance with all requirements established by the
20	NIL Clearinghouse—
21	(A) to represent a student athlete in a
22	name, image, and likeness agreement;
23	(B) to provide consulting services to a stu-
24	dent athlete with respect to a name, image, and
25	likeness agreement; or

1	(C) to recruit or solicit, directly or indi-
2	rectly, a student athlete—
3	(i) to engage in an activity described
4	in subparagraph (A) or (B); or
5	(ii) to represent or attempt to rep-
6	resent a student athlete for the purpose of
7	marketing the name, image, or likeness of
8	the student athlete.
9	(4) CONFERENCE.—The term "conference"
10	means any organization that—
11	(A) is not an athletic association;
12	(B) has 2 or more institutions as members;
13	and
14	(C) arranges championships, sets rules for,
15	or regulates varsity intercollegiate sports com-
16	petition.
17	(5) Cost of attendance.—The term "cost of
18	attendance"—
19	(A) has the meaning given the term in sec-
20	tion 472 of the Higher Education Act of 1965
21	(20 U.S.C. 1087ll); and
22	(B) shall be calculated by the financial aid
23	office of an institution by applying the same
24	standards, policies, and procedures for all stu-
25	dents at such institution.

1	(6) COVERED COMPENSATION.—
2	(A) IN GENERAL.—With respect to a
3	name, image, and likeness agreement, the term
4	"covered compensation" means any payment,
5	remuneration, or benefit, including cash,
6	awards, gifts, and in-kind contributions, that—
7	(i) is provided by a third party to a
8	student athlete;
9	(ii) is commensurate with the market
10	value for the activity carried out under the
11	name, image, and likeness agreement; and
12	(iii) is not, or is not intended to be,
13	a recruiting inducement or compensation
14	for participation in a varsity intercollegiate
15	sport.
16	(B) EXCLUSION.—The term "covered com-
17	pensation" does not include grant-in-aid.
18	(7) GRANT-IN-AID.—The term "grant-in-aid"
19	means—
20	(A) tuition, room, board, books, fees, and
21	personal expenses paid or provided by an insti-
22	tution up to the full cost of attendance;
23	(B) Federal Pell Grants and other State
24	and Federal grants unrelated to, and not

1	awarded with respect to, participation in varsity
2	intercollegiate sports competition;
3	(C) health insurance and the costs of
4	health care wholly or partly self-funded by an
5	athletic association, a conference, or an institu-
6	tion;
7	(D) disability and loss of value insurance
8	that is wholly or partly self-funded by an ath-
9	letic association, a conference, or an institution;
10	(E) career counseling or job placement
11	services available to all students at an institu-
12	tion; or
13	(F) payment of hourly wages and benefits
14	for work actually performed (and not for par-
15	ticipation in a varsity intercollegiate athletic
16	program) at a rate commensurate with the pre-
17	vailing rate in the locality of an institution for
18	similar work.
19	(8) IMAGE.—The term "image", with respect to
20	a student athlete, means a photograph, video, or
21	computer-generated representation that identifies, is
22	linked to, or is reasonably linkable to the student
23	athlete.
24	(9) INSTITUTION.—The term "institution" has
25	the meaning given the term "institution of higher

1	education" in section 101 of the Higher Education
2	Act of 1965 (20 U.S.C. 1001).
3	(10) LIKENESS.—The term "likeness", with re-
4	spect to a student athlete, means—
5	(A) with respect to a student athlete of a
6	sport for which the student athlete has a jersey
7	number, the jersey number associated with the
8	student athlete and the sport in which the stu-
9	dent athlete participates at a particular institu-
10	tion during the period of the participation of
11	the student athlete in the sport at the institu-
12	tion, if the jersey number is accompanied by—
13	(i) a logo or color scheme that is
14	clearly associated with the institution; or
15	(ii) some other means by which the
16	jersey number is associated with the par-
17	ticular student athlete; and
18	(B) with respect to any student athlete—
19	(i) the uniquely identifiable voice,
20	catch phrase, or nickname of the student
21	athlete; or
22	(ii) any other mark that identifies or
23	distinguishes the student athlete.
24	(11) Loss of value insurance.—The term
25	"loss of value insurance" means insurance that pro-

tects the future contract value of a student athlete
 from decreasing below a predetermined amount due
 to significant injury or illness suffered by the stu dent athlete during the designated coverage period
 of the insurance policy.

6 (12) NAME.—The term "name", with respect to 7 a student athlete, means the first or last name, the 8 nickname, or the username on any internet platform 9 of the student athlete when used in a context that 10 reasonably identifies the student athlete with speci-11 ficity or particularity.

(13) NAME, IMAGE, AND LIKENESS AGREEMENT.—The term "name, image, and likeness agreement" means a contract or similar arrangement between a student athlete and a third party regarding
the commercial use of the name, image, or likeness
of the student athlete in exchange for covered compensation.

19 (14) NIL CLEARINGHOUSE.—The term "NIL
20 Clearinghouse" means a clearinghouse established
21 under section 4(a).

(15) STUDENT ATHLETE.—The term "student
athlete" means any individual enrolled at an institution who participates as a team member or compet-

1	itor in varsity intercollegiate sports competition
2	sponsored by the institution.
3	(16) THIRD PARTY.—The term "third party"
4	means an individual or entity that is not—
5	(A) an institution;
6	(B) an athletic department;
7	(C) an organization or a foundation that
8	provides financial support to an institution or
9	athletic department;
10	(D) a conference;
11	(E) an athletic association;
12	(F) a certified agent; or
13	(G) an employee of any such individual or
14	entity.
15	(17) VARSITY INTERCOLLEGIATE ATHLETIC
16	PROGRAM.—The term "varsity intercollegiate ath-
17	letic program" means a sport played at the inter-
18	collegiate level, administered by an athletic depart-
19	ment, for which eligibility requirements for partici-
20	pation by student athletes are established by an ath-
21	letic association.
22	(18) VARSITY INTERCOLLEGIATE SPORTS COM-
23	PETITION.—The term "varsity intercollegiate sports
24	competition'' means a competition involving 2 or

1	more varsity intercollegiate athletic programs spon-
2	sored by different institutions.
3	SEC. 3. NAME, IMAGE, AND LIKENESS AGREEMENTS.
4	(a) Protections for Student Athletes.—
5	(1) IN GENERAL.—With respect to a student
6	athlete who may enter, or who has entered, into a
7	name, image, and likeness agreement, an institution
8	may not retaliate against the student athlete for
9	considering, or having entered into, such an agree-
10	ment by—
11	(A) limiting the playing time of the stu-
12	dent athlete; or
13	(B) making adverse changes to—
14	(i) the student athlete's eligibility for
15	or opportunity to apply for scholarships,
16	grant-in-aid, or educational loans; or
17	(ii) the amount, duration, or renewal
18	of the student athlete's grant-in-aid.
19	(2) Institution and team policies.—An in-
20	stitution may enforce against a student athlete de-
21	scribed in paragraph (1) institution and team codes
22	of conduct and policies relating to the student ath-
23	lete's scholastic achievement, timely attendance of
24	team practices, and the donning of a logo during an
25	official team event of an entity other than a team

1	sponsor, if such enforcement is carried out equally
2	to other student athletes enrolled in the institution.
3	(b) Prohibitions.—
4	(1) PARTICULAR INDUSTRIES.—
5	(A) IN GENERAL.—An institution may pro-
6	hibit student athletes enrolled in the institution
7	from entering into name, image and likeness
8	agreements with entities in a particular indus-
9	try if—
10	(i) applicable State law prohibits all
11	institutions located in the State from en-
12	tering into agreements with such entities;
13	and
14	(ii) such a name, image, and likeness
15	agreement would violate the student code
16	of conduct of the institution.
17	(B) NOTIFICATION OF ENROLLED STU-
18	DENT ATHLETES.—An institution shall provide
19	to each enrolled student athlete a list of entities
20	with which student athletes are prohibited from
21	entering into name, image, and likeness agree-
22	ments under subparagraph (A).
23	(2) Conflicts with institution or team
24	SPONSORSHIP AGREEMENTS.—

1	(A) IN GENERAL.—Subject to subpara-
2	graph (B) and paragraph (3)(B), an institution
3	may prohibit a student athlete from carrying
4	out an activity pursuant to a name, image, and
5	likeness agreement during any period in which
6	the student athlete is engaged in a mandatory
7	team activity if such activity pursuant to the
8	name, image, and likeness agreement conflicts
9	with a sponsorship agreement of the institution
10	or the team of the student athlete.
11	(B) WAIVER.—An institution may waive
12	the application of subparagraph (A) only if such
13	waiver applies to all—
14	(i) student athletes enrolled in the in-
15	stitution; and
16	(ii) conflicts described in that sub-
17	paragraph.
18	(3) Public disclosure.—
19	(A) IN GENERAL.—Not later than January
20	1 each year, each institution shall make avail-
21	able to the public a description of any prohibi-
22	tion under paragraph (1) or (2) that will apply
23	to student athletes during the subsequent aca-
24	demic year.

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1	(B) EFFECT OF FAILURE TO DISCLOSE
2	CONFLICTS.—The prohibition on conflicts under
3	paragraph (2) shall not apply to an institution
4	that fails to make a timely disclosure of con-
5	flicts under subparagraph (A).
6	(C) Effective date.—This paragraph
7	shall take effect on the date that is 1 year after
8	the date of the enactment of this Act.
9	SEC. 4. NIL CLEARINGHOUSE FOR REGULATION OF NAME,
10	IMAGE, AND LIKENESS AGREEMENTS.
11	(a) ESTABLISHMENT.—Institutions and conferences
12	may establish a clearinghouse for the purpose of regu-
13	lating name, image, and likeness agreements in accord-
13 14	lating name, image, and likeness agreements in accord- ance with this Act.
14	ance with this Act.
14 15	ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall—
14 15 16	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— (1) monitor compliance with this Act;
14 15 16 17	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— (1) monitor compliance with this Act; (2) establish and enforce penalties for violations
14 15 16 17 18	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— (1) monitor compliance with this Act; (2) establish and enforce penalties for violations of this Act; and
14 15 16 17 18 19	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— monitor compliance with this Act; establish and enforce penalties for violations of this Act; and provide to student athletes educational in-
 14 15 16 17 18 19 20 	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— (1) monitor compliance with this Act; (2) establish and enforce penalties for violations of this Act; and (3) provide to student athletes educational information with respect to the legal and tax implica-
 14 15 16 17 18 19 20 21 	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— monitor compliance with this Act; establish and enforce penalties for violations of this Act; and provide to student athletes educational information with respect to the legal and tax implications of name, image, and likeness agreements.
 14 15 16 17 18 19 20 21 22 	 ance with this Act. (b) DUTIES.—The NIL Clearinghouse shall— (1) monitor compliance with this Act; (2) establish and enforce penalties for violations of this Act; and (3) provide to student athletes educational information with respect to the legal and tax implications of name, image, and likeness agreements. (c) ANTITRUST EXEMPTION.—

(2) LIMITATION.—Paragraph (1) shall not
 apply to the NIL Clearinghouse if the NIL Clearing house takes an action that is in excess of the action
 authorized under this Act.

5 SEC. 5. INFORMATION SHARING.

6 On request, the NIL Clearinghouse shall provide to
7 the Federal Trade Commission, the Department of Jus8 tice, or the attorney general of any State any record of
9 the NIL Clearinghouse.

10 SEC. 6. ENFORCEMENT.

11 (a) ACTIONS BY NIL CLEARINGHOUSE.—

12 (1) IN GENERAL.—The NIL Clearinghouse
13 shall carry out enforcement actions for any violation
14 of this Act, including by—

- 15 (A) levying fines;
- 16 (B) imposing penalties, including suspen17 sion or a permanent ban of an individual or en18 tity from participation in varsity intercollegiate
 19 sports competition for a period determined by
 20 the NIL Clearinghouse; and
- 21 (C) commencing civil actions and seeking
 22 all appropriate legal, equitable, or other relief,
 23 including damages and injunctions.
- 24 (2) NOTICE.—With respect to an enforcement
 25 action carried out under this subsection, the NIL

1	Clearinghouse shall provide to the individual or enti-
2	ty concerned notice of the enforcement action and an
3	opportunity for a hearing.
4	(3) Imposition of fines.—With respect to a
5	violation of this Act that has damaged or unjustly
6	enriched a regulated party, the NIL Clearinghouse
7	shall impose a fine in an amount not less than the
8	value of the damage or unjust enrichment.
9	(4) Representation.—The NIL Clearing-
10	house may act in its own name and through its own
11	attorneys—
12	(A) in enforcing any provision of this Act
13	or any other law or regulation; and
14	(B) in any civil action, suit, or proceeding
15	to which the NIL Clearinghouse is a party.
16	(5) Compromise of actions.—The NIL
17	Clearinghouse may compromise or settle any civil ac-
18	tion if such compromise or settlement is approved by
19	the court.
20	(6) FORUM.—A civil action under this Act may
21	be brought by the NIL Clearinghouse in a Federal
22	district court of competent jurisdiction.
23	(b) Actions by Attorney General.—The Attor-
24	ney General may bring a civil action for a violation of this
25	Act in any appropriate district court of the United States.

1 (c) ACTIONS BY STATE.—

2	(1) IN GENERAL.—In any case in which the at-
3	torney general of a State, or such other official as
4	the State may designate, has reason to believe that
5	an interest of the residents of such State has been
6	or is threatened or adversely affected by an act or
7	practice in violation of this Act, the State may bring
8	a civil action on behalf of the residents of the State
9	in an appropriate State court or a district court of
10	the United States that is located in the State and
11	has jurisdiction over the defendant—
12	(A) to enforce compliance with this Act;
13	and
14	(B) for all appropriate remedies.
15	(2) Notice.—
16	(A) IN GENERAL.—Before filing an action
17	under this subsection or commencing any other
18	administrative or regulatory proceeding to en-
19	force this Act, the attorney general, official, or
20	agency of the State involved shall provide to the
21	NIL Clearinghouse—
22	(i) a written notice of such action or
23	proceeding; and
24	(ii) a copy of the complaint for such
25	action or proceeding.

1	(B) CONTENTS OF NOTICE.—The written
2	notice required by subparagraph (A) shall in-
3	clude—
4	(i) the identity of the parties;
5	(ii) a description of the alleged facts
6	underlying the action or proceeding; and
7	(iii) an assessment as to whether
8	there is a need to coordinate the prosecu-
9	tion of the action or proceeding so as not
10	to interfere with any action or proceeding
11	undertaken by the NIL Clearinghouse or a
12	Federal agency.
13	(C) NIL CLEARINGHOUSE RESPONSE.—On
14	receiving notice under this paragraph of an ac-
15	tion or proceeding under this subsection, the
16	NIL Clearinghouse shall have the right—
17	(i) to intervene in the action or pro-
18	ceeding;
19	(ii) upon so intervening—
20	(I) to remove the action or pro-
21	ceeding to the appropriate United
22	States district court, if the action or
23	proceeding was not originally brought
24	there; and

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1	(II) to be heard on all matters
2	arising in the action or proceeding;
3	and
4	(iii) to appeal any order or judgment,
5	to the same extent as any other party in
6	the proceeding.
7	(3) REGULATIONS.—The NIL Clearinghouse
8	shall prescribe regulations to implement this sub-
9	section and, from time to time, provide guidance to
10	further coordinate actions with State attorneys gen-
11	eral and other regulators.
12	(4) RULE OF CONSTRUCTION.—Nothing in this
13	subsection may be construed as altering, limiting, or
14	affecting the authority of a State attorney general or
15	any other regulatory or enforcement agency or au-
16	thority to bring an action or other regulatory pro-
17	ceeding arising solely under the law in effect in that
18	State.
19	(d) NO PRIVATE RIGHT OF ACTION.—Nothing in this
20	Act may be construed as providing for a private right of
21	action for civil enforcement of this Act by any individual
22	other than a student athlete or certified agent.
23	SEC. 7. RULE OF CONSTRUCTION.
24	Nothing in this Act may be construed to limit the
25	ability of an institution, conference, or athletic association

- to prohibit a third party from providing to a student ath lete—
- 3 (1) a recruitment inducement; or
- 4 (2) compensation for participation in a varsity
- 5 intercollegiate sport.