COMMITTEE TO CONDUCT AN INTERIM STUDY CONCERNING THE USE OF THE NAME, IMAGE, AND LIKENESS OF A STUDENT ATHLETE

Assembly Bill 254 (Chapter 202, *Statutes of Nevada 2021*)

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Assembly Bill 254 (Chapter 202, Statutes of Nevada 2021)

Section 8.

- 1. The Legislative Committee on Education shall appoint a committee to conduct an interim study concerning the use of the name, image and likeness of a student athlete.
 - 2. The interim committee must consist of:
 - (a) The Chancellor of the Nevada System of Higher Education, or his or her designee;
 - (b) A representative of a community college athletic association located in this State, if any;
- (c) At least two student athletes enrolled in a community college, state college or university in this State:
- (d) An administrator of an athletics program at a community college, state college or university in this State;
- (e) A coach of an athletics program at a community college, state college or university in this State:
 - (f) One member appointed by the Speaker of the Assembly; and
 - (g) One member appointed by the Majority Leader of the Senate.
- 3. The Legislative Committee on Education shall appoint a Chair and Vice Chair from among the members of the interim committee.
- 4. The interim committee shall study and examine existing bylaws of state collegiate athletic associations and national collegiate athletic associations and state and federal laws relating to compensating a student athlete for the use of the name, image or likeness of the student athlete.
- 5. The Legislative Committee on Education shall submit a report of the results of the study, including any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmission to the 82nd Session of the Nevada Legislature.
 - 6. As used in this section:
 - (a) "National collegiate athletic association" has the meaning ascribed to it in NRS 398.055.
- (b) "Student athlete" means a person who is eligible to attend an institution and engages in, is eligible to engage in, or may be eligible in the future to engage in, any intercollegiate sport. The term does not include a person permanently ineligible to participate in a particular intercollegiate sport for that sport.

ABSTRACT

COMMITTEE TO CONDUCT AN INTERIM STUDY CONCERNING THE USE OF THE NAME, IMAGE, AND LIKENESS OF A STUDENT ATHLETE

Assembly Bill 254 (Chapter 202, *Statutes of Nevada 2021*)

Assembly Bill 254 (2021) created the Committee to Conduct an Interim Study Concerning the Use of the Name, Image, and Likeness (NIL) of a Student Athlete. The Committee must study and examine existing bylaws of state and national collegiate athletic associations and state and federal laws relating to compensating a student athlete for the use of the NIL of the student athlete. The Joint Interim Standing Committee on Education (COE) must submit a report of the results of the study, including any recommendations for legislation, to the director of the Legislative Counsel Bureau for transmission to the 2023 Session of the Nevada Legislature. On January 20, 2022, the COE appointed the six nonlegislative members to the Committee who had been recommended by the entities they represent. The COE also appointed two legislators to the Committee and designated Assemblyman C. H. Miller as Chair and Senator Roberta Lange as Vice Chair.

The Committee held four meetings during the 2021–2022 Interim: (1) March 24, 2022; (2) April 28, 2022; (3) May 26, 2022; and (4) June 23, 2022. The first two meetings were held at the Grant Sawyer State Office Building in Las Vegas, Nevada, and videoconferenced to the Legislative Building in Carson City, Nevada. The remaining two meetings were held at the Legislative Building in Carson City and videoconferenced to the Grant Sawyer State Office Building in Las Vegas.

The first three meetings included the following areas of review: the Committee's originating legislation; the national landscape concerning the compensation and NIL of student athletes; recent NIL policies and related oversight and compliance; business and marketing components of NIL; legal questions and challenges of NIL; NIL policies and challenges at two- and four-year college and university levels; and student and coach perspectives related to NIL. The work of the Committee culminated in a work session at the fourth and final meeting. One of the Committee's five recommendations was to recommend to the COE that it propose legislation. Such legislation would amend *Nevada Revised Statutes* 398.330 regarding student athlete disclosures to instead require any entity which engages in NIL deals that provide compensation in any form to one or more student athletes with an aggregate value equal to or greater than \$10,000, or a different amount as determined by the COE, to be responsible for disclosing those deals to the student athlete's institutions.

More information about the Committee's activities—including minutes, recordings of meetings, and copies of presentations and other exhibits—may be accessed on the Legislature's website for the 2021–2022 Interim.

SUMMARY OF RECOMMENDATIONS

COMMITTEE TO CONDUCT AN INTERIM STUDY CONCERNING THE USE OF THE NAME, IMAGE, AND LIKENESS OF A STUDENT ATHLETE

Assembly Bill 254 (Chapter 202, *Statutes of Nevada 2021*)

This summary presents the recommendations approved by the Committee to Conduct an Interim Study Concerning the Use of the Name, Image, and Likeness (NIL) of a Student Athlete at its meeting on June 23, 2022. The Committee considered a total of five proposed actions for legislation, letters, or statements to include in its final report. Several actions are proposed recommendations for the Joint Interim Standing Committee on Education (COE) to consider at its future work session. Additional information regarding all recommendations considered is available in the Committee's "Work Session Document." All recommendations were approved unanimously. Finally, additional information concerning the COE's actions and recommendations can be found in its "Summary of Recommendations."

RECOMMENDATIONS FOR COMMITTEE ACTION

The Committee voted to take its own action on two items:

National NIL Policy

1. Send a letter to Nevada's Congressional Delegation on behalf of the Committee encouraging the development of a national, uniform policy for NIL.

NIL Best Practices

- 2. Include a list of best NIL practices in the Committee's final report. This list includes:
 - a. Increased awareness and communication of state and federal NIL parameters for on-campus NIL practitioners, including student athletes, coaches, and institutional personnel;
 - b. Student athletes may not attend NIL engagements in lieu of academic or athletic activities;
 - c. Student athletes must wear and use institutionally issued gear and equipment during athletic activities:
 - d. Use of an institution's logos, marks, or facilities for NIL engagements must be approved in writing by an institution;
 - e. NIL activities must be consistent with institutional and Nevada System of Higher Education (NSHE) policies; the student-athlete handbook; local, state, or federal law; and existing National Collegiate Athletic Association regulations; and

f. Further develop NIL educational supports for student athletes in areas including, but not limited to, financial implications, tax education, and scholarship impacts.

RECOMMENDATIONS TO THE JOINT INTERIM STANDING COMMITTEE ON EDUCATON FOR ACTION

The final three recommendations the Committee put forth are contingent upon the COE's action and approval.

Study Concerning NIL Policies and Challenges Specific to Junior Colleges

3. Recommend to the COE to send a letter to an entity deemed appropriate by the COE urging that entity to conduct a study concerning NIL policies and challenges specific to junior colleges. Specifically, this study should investigate NIL issues relating, but not limited, to resources and personnel at junior colleges and funding and opportunities for NIL deals for junior college student athletes. As testimony indicated that student athlete transfer policies, especially concerning NIL, can be contradictory and difficult between junior colleges and other institutions, the study should also investigate concerns and challenges with student athlete transfers between two- and four-year colleges and universities. If such a study is conducted, the entity conducting the study may submit a report of the results of the study, including any recommendations for legislation, to the COE on or before June 30, 2024.

Study Concerning NIL Deals and Policies Specific to Nevada's Gaming Industry

4. Include in the Committee's final report the recommendation to the COE to send a letter to the Nevada Gaming Control Board and the Nevada Gaming Commission on behalf of the COE urging the Board or Commission to conduct a study concerning NIL implications for the gaming industry in Nevada. Specifically, this study may investigate what, if any, possibilities exist for NIL deals between student athletes and the gaming industry. The study may also investigate the possibility of deals with student athletes as brand agents, among other deals, and the implications of such deals. If such a study is conducted, the Board or Commission may submit a report of the results of the study, including any recommendations for legislation, to the COE on or before June 30, 2024.

RECOMMENDATION TO THE JOINT INTERIM STANDING COMMITTEE ON EDUCATION FOR LEGISLATION

NIL Contract Disclosure Requirements

5. Propose legislation to amend <u>Nevada Revised Statutes</u> (NRS) 398.330 regarding student athlete disclosures to instead require any entity which engages in NIL deals that provide compensation in any form to one or more student athletes with an aggregate value equal to or greater than \$10,000, or a different amount as determined by the COE, to be responsible for disclosing those deals to the student athlete's institution. The COE should determine the appropriate method to gather information related to NIL deals into one centralized place. Additionally, clarify that NRS 398.330 does not require NSHE to approve these deals. Further, require any

entity who facilitates certain NIL deals, including, but not limited to, third-party agents such as collectives, boosters, and certain vendors, to register with the state through the Office of the Secretary of State. Collectives, in particular, are required to disclose all participating parties as well as sources and recipients of the collective's funds. Testimony indicated that the new reporting obligations are unenforceable, and there are no consequences for failure to report disclosures. (BDR 34–378)