

New Jersey Grants Name, Image, Likeness Rights to Collegiate Student-Athletes

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New Jersey Governor Phil Murphy's signature on the New Jersey Fair Play Act (S-971/A-2106) will allow New Jersey student-athletes to earn financial compensation from the use of their name, image, and likeness and authorize their hiring and use of attorneys and agents without affecting their scholarship eligibility. New Jersey joins the states of California, Colorado, and Florida who have passed similar laws protecting the rights of student-athletes to be paid for name, image, and likeness rights.

The New Jersey law received final legislative approval in late July, passing the full Assembly 56-16-2, and the full Senate 30-9.

While Congress continues to debate potential federal name, image and likeness legislation, the finalization of the NCAA's formal rule changes permitting student-athletes legal opportunities to benefit from the use of their name, image, and likeness is still on hold.

The New Jersey Fair Play Act would first be applicable in the fifth academic year following its enactment.

Under the Act, a four-year institution would be prohibited from upholding any rule, requirement, standard, or other limitation that prevents college athletes from monetizing the use of their name, image, or likeness.

In addition, a four-year institution would be prohibited from joining the NCAA or any athletic association, conference, or other group or organization with control over intercollegiate athletics if college athletes are prohibited from earning compensation from their name, image, or likeness; the institution prevented a student-athlete from obtaining professional representation in relation to contracts or legal matters; or the institution interfered with compensation reaching a student-athlete.

While granting the student-athletes the right to profit from the use of their name, image, and likeness, the law places certain obligations upon the student-athlete. The student-athlete must disclose the contract to a university-designated official of the four-year institution of higher education. In addition,

the student-athlete endorsers will be prohibited from earning compensation in connection with certain industries: adult entertainment, alcohol, gambling of any kind (including sports betting, lottery, or betting connected to video games, online games, and mobile devices), tobacco and electronic smoking, pharmaceuticals, controlled dangerous substances, and firearms. *If a student-athlete earns compensation from any of these prohibited areas, their scholarship eligibility will be revoked.*

State Senator Joe Lagana, who co-sponsored the bill, commented following the Governor's announcement of his signing the bill into law, "For too long, collegiate athletes have been barred from seeking compensation for endorsements while their skill and labor fuels profits for the NCAA and its corporate partners." He added, "These amazing young people deserve the right to share in the economic opportunity created by their talent. Today, we put an end to that inequity and allow New Jersey's student athletes to play by the same rules as everyone else."

The bill's co-sponsor, State Senator Loretta Weinberg, further commented, "These elite athletes spend well over 40 hours a week practicing, training and performing with no guarantee of a professional career, or even a complete education. This is not only unfair, it is exploitation. While the NCAA drags its feet, I'm glad this bill will give student-athletes new rights to compensation, at least in New Jersey."

In September 2019, California became the first state to allow college athletes to sign endorsement deals despite specific NCAA rules prohibiting student-athletes this right. The California law is effective July 1, 2023.

The Florida legislation, signed in June, has gained significant attention because of its effective date: July 1, 2021.

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