

1 AN ACT relating to economic development.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 164.6945 is amended to read as follows:

- 4 (1) A student-athlete may receive compensation for the use of the athlete's name,
5 image, or likeness through a name, image, and likeness agreement with a third
6 party. Such compensation shall be consistent with prevailing market rate of the
7 authorized use of the athlete's name, image, or likeness.
- 8 (2) (a) A person or entity shall not give or promise compensation for the use of the
9 name, image, or likeness of a current or prospective student-athlete to recruit
10 or induce the athlete to enroll at any Kentucky institution.
- 11 (b) A person or entity, regardless of residence, shall not give or promise
12 compensation for the use of the name, image, or likeness of a student-athlete
13 enrolled at a Kentucky institution or of a prospective student-athlete who has
14 entered into an enrollment contract with a Kentucky institution with the
15 purpose of recruiting or inducing the student-athlete to enroll at another
16 postsecondary educational institution, regardless of the institution's location.
- 17 (3) An institution, association, or affiliated organization shall not:
- 18 (a) Give or promise compensation for the use of an athlete's name, image, or
19 likeness;
- 20 (b) Direct compensation to be given for the use of the athlete's name, image or
21 likeness; or
- 22 (c) Negotiate any part of an NIL agreement on behalf of a prospective student-
23 athlete.
- 24 (4) A student-athlete shall not enter into an NIL agreement to receive compensation
25 from a third party relating to the endorsement or promotion of:
- 26 (a) Sports betting;
- 27 (b) A controlled substance;

- 1 (c) A substance the student-athlete's intercollegiate athletic association forbids
2 the athlete from using;
- 3 (d) Adult entertainment; or
- 4 (e) Products or services that would be illegal for the student-athlete to possess or
5 receive.

6 **(5) The provisions of subsections (2) and (3) of this section shall apply to NIL**
7 **agreement activities only to the extent that an intercollegiate athletic association**
8 **may lawfully regulate or restrict a student-athlete's agreements to receive**
9 **compensation in exchange for his or her name, image, or likeness in a manner**
10 **identical or substantially similar to that set forth in subsection (2) and (3) of this**
11 **section, including as currently or may be in the future modified by a court of**
12 **competent jurisdiction, and the intercollegiate athletic association chooses to do**
13 **so.**

14 ➔Section 2. Whereas student-athletes have pressing new name, image, and
15 likeness opportunities available, an emergency is declared to exist, and this Act takes
16 effect upon its passage and approval by the Governor or upon its otherwise becoming a
17 law.