

## The NCAA's NIL Rules: A Lawyer's Perspective



Last year, [the U.S. Supreme Court ruled on the NCAA's restrictions on "education-related benefits,"](#) ultimately deciding that the practice violated antitrust law. Though the decision left room to create limits on benefits unrelated to education, the end result of the Court's holding was that effective July 2021, [student-athletes were permitted to earn compensation from activities involving their name, image, and likeness](#) ("NIL"). This is not to say that the ruling has been immune from pushback: after just one season of college athletes profiting from their name, image, and likeness, the NCAA has begun to internally review their NIL policies, [considering how its policies \(or the lack thereof\) affected athletes' school choice, transfer opportunities, academics, and their mental health.](#)

Some of the NCAA's chief concerns appear to be [possible violations of NCAA recruiting rules,](#) the representation of athletes as they broker business deals, booster involvement, as well as schools arranging deals for incoming players. In reality, [students seeking to monetize their name, image, and likeness is a relatively new concept and still exists as a "Wild, Wild, West" type of environment,](#) with many businesses and organizations looking to profit from new and untested regulation. We are witnessing an entirely new line of business in the form of sports agencies and consulting firms specializing in NIL strategies.

Since this area is uncharted territory in many respects, [there are several potential legal ramifications that need to be considered](#) such as the proper compensation for athletes, whether sanctions will exist for NIL non-compliance and what types of marketing partnerships are legally viable when working with student-athletes. Athletes, universities, and brands have spent months learning how to best navigate this new NIL world, and unraveling their way through a web of state laws, federal statutes, NCAA policies and individual university guidelines which might not always line up neatly.

For now, the interplay between state and local laws is causing some confusion for student-athletes. For instance, many states that already had NIL laws on the books prior to the Supreme Court ruling, have actually been forced to deal with stricter guidelines than those states that did not previously have such laws in place. [Alabama and Florida in particular have struggled with this inconsistency](#), while [Georgia has had issues with compensation and disclosure/privacy laws](#). There is also the question of whether the terms of a NIL contract would continue after college, something that is also likely governed by state law.

Ultimately, student-athletes, universities, brands, and legal professionals should anticipate a great deal of debate regarding NIL laws as all sides aim to deal with the uncertainty stemming from this new system. From financial aid considerations to how FERPA might be impacted by NIL deals, [there are numerous legal considerations to be made](#) going forward. One must also be wary of the possibility of “pay-for-play” deals, [as organizations could \(intentionally or not\) use NIL deals as a shell to disguise otherwise illegal payments to student-athletes](#). Simply put, the future of NIL laws in college sports is very uncertain right now and will likely undergo some major changes over the next few years as all parties try to feel things out. While we have not seen much litigation yet regarding these types of deals, rest assured, lawsuits surrounding these issues will likely increase over time.

## Social Media

Twitter	LinkedIn
With student-athletes now permitted to earn compensation from #NIL deals, #CollegeSports is likely to undergo some major changes.	
The #NCAA long resisted “education-related benefits,” but with last year’s Supreme Court case, student-athletes can now earn compensation from #NIL activities.	Last year, the Supreme Court decided that student-athletes in the NCAA could be financially compensated for activities related to their name, image, and likeness. As I discussed in a recent blog, this has led to a lot of debate regarding how such deals should be handled and state laws factor into the proceedings.  #CollegeSports #NCAA #NIL #ContractLaw

Though there are plenty of reasons to be happy about the Supreme Court's decision on student-athletes and #NIL compensation, it has created a lot of confusion as well.	
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