

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to establish name, image,  
and likeness investment accounts for student-athletes, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mrs. BLACKBURN introduced the following bill; which was read twice and  
referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to establish  
name, image, and likeness investment accounts for stu-  
dent-athletes, 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 “Helping Under-  
5       graduate Students Thrive with Long-Term Earnings Act”  
6       or the “HUSTLE Act”.

7       **SEC. 2. NIL INVESTMENT ACCOUNTS.**

8       (a) IN GENERAL.—Subchapter F of chapter 1 of the  
9       Internal Revenue Code of 1986, as amended by section

1 70204 of Public Law 119–21, is amended by adding at  
2 the end the following new part:

3 **“PART X—NIL INVESTMENT ACCOUNTS**

4 **“SEC. 530B. NIL INVESTMENT ACCOUNTS.**

5 “(a) GENERAL RULE.—An NIL investment account  
6 shall be exempt from taxation under this subtitle. Not-  
7 withstanding the preceding sentence, the NIL investment  
8 account shall be subject to the taxes imposed by section  
9 511 (relating to imposition of tax on unrelated business  
10 income of charitable organizations).

11 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-  
12 poses of this section:

13 “(1) DESIGNATED BENEFICIARY.—The term  
14 ‘designated beneficiary’ means the eligible athlete  
15 who established the NIL investment account and is  
16 the owner of such account.

17 “(2) ELIGIBLE ATHLETE.—

18 “(A) IN GENERAL.—The term ‘eligible ath-  
19 lete’ means an individual who—

20 “(i) is enrolled as a student at a par-  
21 ticipating institution of higher education,  
22 and

23 “(ii) participates in an amateur or  
24 collegiate athletic program.

1 “(B) SECRETARIAL AUTHORITY.—The Sec-  
2 retary, in consultation with the Secretary of  
3 Education, shall have the authority to—

4 “(i) further define the criteria for par-  
5 ticipation in an amateur or collegiate ath-  
6 letic program for purposes of subpara-  
7 graph (A)(ii),

8 “(ii) establish procedures for verifying  
9 an individual’s status as an eligible athlete,  
10 and

11 “(iii) issue guidance regarding the ap-  
12 plication of the requirements described in  
13 subparagraph (A) in cases where an indi-  
14 vidual’s enrollment or athletic participation  
15 status changes during a taxable year.

16 “(3) PARTICIPATING INSTITUTION OF HIGHER  
17 EDUCATION.—

18 “(A) IN GENERAL.—For purposes of this  
19 section, the term ‘participating institution of  
20 higher education’ means an institution of higher  
21 education which elects (pursuant to subpara-  
22 graph (B)) to participate under this section and  
23 to comply with any requirements applicable to  
24 such institution of higher education under this  
25 section.

1 “(B) ELECTION AND REVOCATION.—

2 “(i) ELECTION.—Any election made  
3 by an institution of higher education to  
4 participate under this section shall be ef-  
5 fective for the academic year with respect  
6 to which it is made and for all subsequent  
7 academic years and, once made, may be re-  
8 voked only pursuant to clause (ii).

9 “(ii) REVOCATION.—A revocation of  
10 an election described in clause (i) may be  
11 made by an institution of higher education  
12 only if—

13 “(I) such institution of higher  
14 education provides notice of such rev-  
15 ocation to all eligible athletes enrolled  
16 at such institution of higher edu-  
17 cation, and

18 “(II) such revocation takes effect  
19 no earlier than the first academic year  
20 beginning after the date which is 12  
21 months after the date on which the  
22 notice described in subclause (I) has  
23 been provided.

24 “(C) INSTITUTION OF HIGHER EDU-  
25 CATION.—For purposes of this section, the term

1           ‘institution of higher education’ has the same  
2           meaning given such term in section 102 of the  
3           Higher Education Act of 1965 (20 U.S.C.  
4           1002)).

5           “(4) NIL INVESTMENT ACCOUNT.—The term  
6           ‘NIL investment account’ means a trust created or  
7           organized in the United States exclusively for the  
8           purpose of receiving contributions of qualified NIL  
9           income and providing distributions to the individual  
10          who is the designated beneficiary of the trust (and  
11          designated as an NIL investment account at the  
12          time created or organized), but only if the written  
13          governing instrument creating the trust meets the  
14          following requirements:

15               “(A) No contribution will be accepted—

16                       “(i) unless it is in cash and is made  
17                       by an eligible athlete from qualified NIL  
18                       income, or

19                       “(ii) except in the case of rollover con-  
20                       tributions, if such contribution would not  
21                       be permitted under paragraph (6).

22               “(B) The trustee is a bank (as defined in  
23               section 408(n)) or another person who dem-  
24               onstrates to the satisfaction of the Secretary  
25               that the manner in which that person will ad-

1 minister the trust will be consistent with the re-  
2 quirements of this section.

3 “(C) No part of the trust assets will be in-  
4 vested in life insurance contracts.

5 “(D) The assets of the trust shall not be  
6 commingled with other property except in a  
7 common trust fund or common investment  
8 fund.

9 “(5) QUALIFIED NIL INCOME.—The term  
10 ‘qualified NIL income’ means any income received  
11 by an eligible athlete that is derived from the use of  
12 such athlete’s name, image, or likeness, including  
13 endorsements, appearances, social media content  
14 creation, and licensing arrangements.

15 “(6) CONTRIBUTION LIMITATIONS.—No con-  
16 tribution will be accepted to an NIL investment ac-  
17 count for any eligible athlete—

18 “(A) which, for any taxable year, is in ex-  
19 cess of the dollar amount determined under sec-  
20 tion 2503(b) for the calendar year in which  
21 such taxable year began, and

22 “(B) after the end of the fifth taxable year  
23 in which such athlete—

24 “(i) has received qualified NIL in-  
25 come, and

1 “(ii) was enrolled at a participating  
2 institution of higher education.

3 “(7) TREATMENT OF CONTRIBUTIONS.—With  
4 respect to any qualified NIL income received by an  
5 eligible athlete which is contributed to an NIL in-  
6 vestment account, at the election of such eligible  
7 athlete, gross income shall not include such qualified  
8 NIL income.

9 “(8) TREATMENT OF SELF-EMPLOYMENT  
10 TAXES.—

11 “(A) IN GENERAL.—For purposes of chap-  
12 ter 2 (relating to tax on self-employment in-  
13 come), any qualified NIL income contributed to  
14 an NIL investment account for which an elec-  
15 tion has been made pursuant to paragraph (7)  
16 shall not be taken into account as net earnings  
17 from self-employment (within the meaning of  
18 section 1402(a)) for the taxable year of con-  
19 tribution.

20 “(B) DISTRIBUTIONS.—Any distribution  
21 from an NIL investment account that is includ-  
22 ible in gross income under subsection (c)(1)  
23 shall be treated as net earnings from self-em-  
24 ployment (within the meaning of section

1 1402(a)) for purposes of chapter 2 in the tax-  
2 able year of distribution.

“(9) LIMITATIONS.—Rules similar to the rules  
of paragraphs (4) and (5) of section 529(b) shall  
apply for purposes of this section.

6 “(c) TAX TREATMENT OF DISTRIBUTIONS.—

7                   “(1) IN GENERAL.—Any distribution from an  
8       NIL investment account shall be includible in the  
9       gross income of the distributee in the manner as  
10      provided under section 72 to the extent not excluded  
11      from gross income under any other provision of this  
12      chapter.

13 “(2) TAX TREATMENT OF DISTRIBUTIONS.—

“(A) IN GENERAL.—For purposes of ap-  
plying paragraph (1), a distribution shall be  
treated as—

“(i) includible in gross income and  
taxed as ordinary income if made before  
the date on which the designated bene-  
ficiary—

“(I) graduates from a partici-  
pating institution of higher education  
(as provided in subparagraph (D)), or

24 “(II) transfers from a partici-  
25 pating institution of higher education



1 to a non-participating institution of  
2 higher education (as provided in sub-  
3 paragraph (E)), and

4 “(ii) includible in gross income and  
5 taxed at the rate applicable to long-term  
6 capital gains under section 1(h) if made on  
7 or after the date on which the designated  
8 beneficiary—

9 “(I) graduates from a partici-  
10 pating institution of higher education  
11 (as provided in subparagraph (D)), or

12 “(II) transfers from a partici-  
13 pating institution of higher education  
14 to a non-participating institution of  
15 higher education (as provided in sub-  
16 paragraph (E)),

17 but, for purposes of clause (ii), only to the ex-  
18 tent that such distribution does not exceed the  
19 limitation described in subparagraph (B) for  
20 the taxable year.

21 “(B) LIMITATION ON PREFERENTIAL TAX  
22 TREATMENT.—

23 “(i) IN GENERAL.—The amount of  
24 distributions from an NIL investment ac-  
25 count that may be taxed at the rate appli-

1 cable to long-term capital gain under sub-  
2 paragraph (A)(ii) during any taxable year  
3 shall not exceed the amount described  
4 under section 1(h)(1)(B)(i) for an indi-  
5 vidual described in section 1(c).

6 “(ii) EXCESS AMOUNTS.—Any dis-  
7 tribution exceeding the limitation under  
8 clause (i) shall be includible in gross in-  
9 come, taxed as ordinary income, and (ex-  
10 cept in the case of a qualified distribution  
11 described in paragraph (3)(B)) subject to  
12 the additional tax under paragraph (3)(A).

13 “(C) STUDENT TRANSFERS BETWEEN IN-  
14 STITUTIONS.—

15 “(i) IN GENERAL.—In the case of a  
16 designated beneficiary who transfers from  
17 one participating institution of higher edu-  
18 cation to another participating institution  
19 of higher education (referred to in this  
20 subparagraph as the ‘subsequent institu-  
21 tion’), the graduation date for purposes of  
22 this section shall be the date on which the  
23 designated beneficiary graduates from the  
24 subsequent institution.

1 “(ii) NOTIFICATION REQUIREMENT.—

2 A designated beneficiary who transfers to  
3 a subsequent institution shall notify the  
4 trustee of the NIL investment account of  
5 such transfer within 60 days of enrollment  
6 at the subsequent institution. The subse-  
7 quent institution shall, upon the request of  
8 the designated beneficiary, confirm such  
9 enrollment to the trustee of the NIL in-  
10 vestment account.

11 “(iii) MULTIPLE TRANSFERS.—The  
12 rules of this paragraph shall apply to des-  
13 ignated beneficiaries who transfer between  
14 multiple participating institutions of higher  
15 education, with each subsequent institution  
16 being treated as the relevant institution for  
17 purposes of determining the graduation  
18 date.

19 “(D) CERTIFICATION OF GRADUATION.—

20 The participating institution of higher edu-  
21 cation from which the designated beneficiary  
22 graduates shall transmit documentation of the  
23 designated beneficiary’s graduation directly to  
24 the trustee of the NIL investment account. The

1 Secretary shall prescribe the form and manner  
2 of such certification.

3 “(E) TRANSFER TO NON-PARTICIPATING  
4 INSTITUTION OF HIGHER EDUCATION.—In the  
5 case of a designated beneficiary who transfers  
6 from a participating institution of higher edu-  
7 cation to a non-participating institution of high-  
8 er education, the participating institution of  
9 higher education shall notify the trustee of the  
10 NIL investment account of such transfer.

11 “(3) ADDITIONAL TAX FOR DISTRIBUTIONS NOT  
12 USED FOR QUALIFIED EXPENSES.—

13 “(A) IN GENERAL.—The tax imposed by  
14 this chapter for any taxable year on any tax-  
15 payer who receives a distribution from an NIL  
16 investment account—

17 “(i) before the date on which the des-  
18 ignated beneficiary graduates from an in-  
19 stitution of higher education (as provided  
20 in paragraph (2)(D)), or

21 “(ii) in the case of a distribution de-  
22 scribed in paragraph (2)(A)(ii), which is in  
23 excess of the limitation under paragraph  
24 (2)(B)(i),

1 shall be increased by 10 percent of the amount  
2 which is includible in gross income, unless such  
3 distribution is a qualified distribution.

4 “(B) QUALIFIED DISTRIBUTIONS.—For  
5 purposes of subparagraph (A), a distribution  
6 shall be treated as a qualified distribution if—

7 “(i) the distribution is made to a ben-  
8 eficiary (or to the estate of the designated  
9 beneficiary) on or after the death of the  
10 designated beneficiary,

11 “(ii) the distribution is attributable to  
12 the designated beneficiary’s being disabled  
13 (within the meaning of section 72(m)(7)),

14 “(iii) the distribution is used for  
15 qualified expenses of the designated bene-  
16 ficiary, or

17 “(iv) the distribution is part of a roll-  
18 over contribution described in paragraph  
19 (4).

20 “(C) QUALIFIED EXPENSES.—For pur-  
21 poses of subparagraph (B)(iii), the term ‘quali-  
22 fied expenses’ means expenses incurred by the  
23 designated beneficiary for any of the following:

24 “(i) Career transition costs, includ-  
25 ing—

1 “(I) professional training, certifi-  
2 cation, or education costs,

3 “(II) moving expenses (as de-  
4 fined in section 217(b)) related to  
5 post-athletic career opportunities, or

6 “(III) professional services re-  
7 lated to career planning and develop-  
8 ment.

9 “(ii) Qualified higher education ex-  
10 penses (as defined in section 529(e)(3)) of  
11 the designated beneficiary.

12 “(iii) Qualified medical expenses (as  
13 defined in section 213(d)) of the des-  
14 ignated beneficiary to the extent such ex-  
15 penses exceed 7.5 percent of the des-  
16 ignated beneficiary’s adjusted gross income  
17 for the taxable year in which such expenses  
18 are incurred.

19 “(iv) Such other purposes as are de-  
20 termined appropriate by the Secretary.

21 “(D) CONTRIBUTIONS RETURNED BEFORE  
22 CERTAIN DATE.—Subparagraph (A) shall not  
23 apply to the distribution of any contribution  
24 made during a taxable year if—

1 “(i) such distribution is received on or  
2 before the day prescribed by law (including  
3 extensions of time) for filing such des-  
4 ignated beneficiary’s return for such tax-  
5 able year, and

6 “(ii) such distribution is accompanied  
7 by the amount of net income attributable  
8 to such excess contribution.

9 In the case of such a distribution, for purposes  
10 of section 61, any net income described in  
11 clause (ii) shall be included in gross income for  
12 the taxable year in which such excess contribu-  
13 tion was made.

14 “(4) CHANGE IN BENEFICIARIES OR PRO-  
15 GRAMS.—

16 “(A) ROLLOVERS.—Paragraph (1) shall  
17 not apply to that portion of any distribution  
18 from an NIL investment account which, within  
19 60 days of such distribution, is transferred into  
20 another NIL investment account for the benefit  
21 of—

22 “(i) the designated beneficiary, or

23 “(ii) an eligible athlete who is a mem-  
24 ber of the family of such beneficiary.

1                   “(B) CHANGE IN DESIGNATED BENE-  
2                   FICIARIES.—Any change in the designated ben-  
3                   eficiary of an NIL investment account shall not  
4                   be treated as a distribution for purposes of  
5                   paragraph (1) if the new beneficiary is—

6                   “(i) an eligible athlete for such tax-  
7                   able year, and

8                   “(ii) a member of the family of the  
9                   former beneficiary.

10                  “(C) LIMITATION ON CERTAIN ROLL-  
11                  OVERS.—Subparagraph (A) shall not apply to  
12                  any transfer if such transfer occurs within 12  
13                  months from the date of a previous transfer to  
14                  any NIL investment account for the benefit of  
15                  the designated beneficiary.

16                  “(5) SPECIAL RULES FOR APPLYING ESTATE  
17                  AND GIFT TAXES WITH RESPECT TO ACCOUNT.—  
18                  Rules similar to the rules of paragraphs (2), (4),  
19                  and (5) of section 529(e) shall apply for purposes of  
20                  this section.

21                  “(6) MEMBER OF THE FAMILY.—For purposes  
22                  of this subsection, the term ‘member of the family’  
23                  means, with respect to any designated beneficiary,  
24                  an individual who bears a relationship to such bene-  
25                  ficiary which is described in section 529(e)(2).



1           “(7) LOSS OF NIL INVESTMENT ACCOUNT  
2       TREATMENT.—If an NIL investment account is es-  
3       tablished for a designated beneficiary, no account  
4       subsequently established for such beneficiary shall be  
5       treated as an NIL investment account. The pre-  
6       ceding sentence shall not apply in the case of an ac-  
7       count established for purposes of a transfer de-  
8       scribed in paragraph (4)(A) if the transferor account  
9       is closed as of the end of the 60-day period referred  
10      to in such paragraph.

11           “(8) TRANSITION TO RETIREMENT AC-  
12      COUNTS.—

13           “(A) IN GENERAL.—Subject to subpara-  
14      graph (C), an individual who has ceased to be  
15      an eligible athlete for at least 1 year may elect  
16      to convert their NIL investment account, in  
17      whole or in part, to—

18                   “(i) an individual retirement account  
19                   (as defined in section 408(a)),

20                   “(ii) a Roth IRA (as defined in sec-  
21                   tion 408A(b)), or

22                   “(iii) such other retirement arrange-  
23                   ments as the Secretary may specify in reg-  
24                   ulations.

1                   “(B) TAX TREATMENT.—A conversion  
2                   under subparagraph (A) shall be treated as a  
3                   rollover contribution for purposes of this title.

4                   “(C) LIFETIME LIMITATION.—With re-  
5                   spect to any individual described in subpara-  
6                   graph (A), the amount of any conversion of any  
7                   NIL investment account to any other account  
8                   or arrangement described in clause (i), (ii), or  
9                   (iii) of such subparagraph during any taxable  
10                  year shall not exceed the excess (if any) of  
11                  \$35,000 over the aggregate amount of any  
12                  prior conversions under this paragraph with re-  
13                  spect to such individual for all prior taxable  
14                  years.

15               “(d) TAX TREATMENT OF ACCOUNTS.—Rules similar  
16               to the rules of paragraphs (2) and (4) of section 408(e)  
17               shall apply to any NIL investment account.

18               “(e) EDUCATION REQUIREMENTS.—

19                   “(1) IN GENERAL.—The trustee of an NIL in-  
20                   vestment account shall make available to the des-  
21                   ignated beneficiary educational materials regard-  
22                   ing—

23                   “(A) the benefits and rules of the NIL in-  
24                   vestment account,

1 “(B) basic principles of investing and fi-  
2 nancial planning,

3 “(C) the importance of long-term financial  
4 security, and

5 “(D) such other topics as the Secretary  
6 may specify in regulations.

7 “(2) DELIVERY OF MATERIALS.—The edu-  
8 cational materials required under paragraph (1)  
9 shall be provided to a designated beneficiary—

10 “(A) upon the establishment of an NIL in-  
11 vestment account, and

12 “(B) on an annual basis thereafter.

13 “(f) REGULATIONS.—The Secretary shall prescribe  
14 such regulations as may be necessary to carry out the pur-  
15 poses of this section, including regulations—

16 “(1) to enforce the limitation described in sub-  
17 section (c)(7),

18 “(2) providing for the information required to  
19 be presented to establish an NIL investment ac-  
20 count,

21 “(3) to identify additional qualified expenses  
22 pursuant to subsection (c)(3)(C)(iv),

23 “(4) to prevent fraud and abuse with respect to  
24 amounts claimed as qualified expenses,

1 “(5) to ensure proper reporting and verification  
2 of NIL income sources,

3 “(6) to establish procedures for tracking the  
4 number of taxable years in which an eligible athlete  
5 makes contributions to an NIL investment account,

6 “(7) to establish procedures for determining the  
7 annual limit on preferential capital gains treatment  
8 under subsection (c)(2)(B),

9 “(8) to establish procedures for the transition  
10 of NIL investment accounts to retirement accounts  
11 under subsection (c)(8), and

12 “(9) to allow for transfers described in sub-  
13 section (c)(4).”.

14 (b) CLERICAL AMENDMENT.—The table of parts for  
15 subchapter F of chapter 1 of such Code is amended by  
16 adding at the end the following new item:

“PART X—NIL INVESTMENT ACCOUNTS”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2025.

20 **SEC. 3. STUDENT ATHLETE SPORTS AGENT REFORM.**

21 (a) IN GENERAL.—The Sports Agent Responsibility  
22 and Trust Act (15 U.S.C. 7801 et seq.) is amended—

23 (1) in section 2 (15 U.S.C. 7801)—

24 (A) by amending paragraph (1) to read as  
25 follows:

1           “(1) AGENCY CONTRACT.—The term ‘agency  
2           contract’ means a written agreement—

3           “(A) in which a student athlete authorizes  
4           a person to negotiate or solicit on behalf of the  
5           student athlete a professional sports contract or  
6           an endorsement contract; and

7           “(B) that—

8           “(i) states the name of each party to  
9           the agreement;

10           “(ii) states the term of the agreement;

11           “(iii) states the registration informa-  
12           tion for the athlete agent; and

13           “(iv) states the fee or commission  
14           charged by the athlete agent.”;

15           (B) by redesignating paragraphs (3)  
16           through (9) as paragraphs (5), (7), (9), (11),  
17           (12), (13), and (14), respectively;

18           (C) by inserting after paragraph (2) the  
19           following:

20           “(3) ATHLETIC ASSOCIATION.—

21           “(A) IN GENERAL.—The term ‘athletic as-  
22           sociation’ means any organization or other  
23           group organized in the United States that—

24           “(i) has multiple conferences and in-  
25           stitutions as members;

1 “(ii) sponsors or arranges college ath-  
2 letic competitions between those institu-  
3 tions;

4 “(iii) sets common rules, standards,  
5 procedures, or guidelines for the adminis-  
6 tration of college athletic competition; and

7 “(iv) is not a conference.

8 “(B) INCLUSIONS.—The term ‘athletic as-  
9 sociation’ includes—

10 “(i) the National Collegiate Athletic  
11 Association; and

12 “(ii) any other national intercollegiate  
13 athletic association.

14 “(4) ATHLETIC DEPARTMENT.—The term ‘ath-  
15 letic department’ means a department at, or a com-  
16 ponent of, an institution responsible for managing  
17 one or more varsity intercollegiate sport programs.”;

18 (D) by inserting after paragraph (5), as  
19 redesignated by subparagraph (B), the fol-  
20 lowing:

21 “(6) COLLEGE ATHLETIC COMPETITION.—The  
22 term ‘college athletic competition’ means any varsity  
23 game, meet, or other competition between or among  
24 athletic teams sponsored by institutions.”;

1 (E) by inserting after paragraph (7), as so  
2 redesignated, the following:

3 “(8) CONFERENCE.—The term ‘conference’  
4 means any organization that is not an athletic asso-  
5 ciation and that—

6 “(A) has 2 or more institutions of higher  
7 education as members; and

8 “(B) arranges championships for college  
9 athletic competition or sets rules for college  
10 athletic competition.”;

11 (F) by inserting after paragraph (9), as so  
12 redesignated, the following:

13 “(10) INSTITUTION.—The term ‘institution’ has  
14 the meaning given the term ‘institution of higher  
15 education’ in section 101 of the Higher Education  
16 Act of 1965 (20 U.S.C. 1001).”; and

17 (G) by adding at the end the following:

18 “(15) VARSITY INTERCOLLEGIATE SPORT.—The  
19 term ‘varsity intercollegiate sport’ means a sport  
20 played at the intercollegiate level, administered by  
21 an athletic department, for which eligibility require-  
22 ments for participation by student athletes are es-  
23 tablished by an athletic association.”;

24 (2) in section 3 (15 U.S.C. 7802)—

25 (A) in subsection (a)—

1 (i) in paragraph (2), by striking “;  
2 or” and inserting a semicolon;

3 (ii) in paragraph (3), by striking the  
4 period at the end and inserting a semi-  
5 colon; and

6 (iii) by adding at the end the fol-  
7 lowing:

8 “(4) represent a student athlete for an endorse-  
9 ment contract without first entering into an agency  
10 contract;

11 “(5) represent a student athlete for an endorse-  
12 ment contract without the athlete agent first reg-  
13 istering as an agent with a State and certifying to  
14 an athletic association governing the intercollegiate  
15 sport the student athlete participates in that the  
16 athlete agent is registered with a State;

17 “(6) charge a student athlete a fee in connec-  
18 tion with an endorsement contract that exceeds 5  
19 percent of the value of the endorsement contract;

20 “(7) enter into an agency contract with an ath-  
21 lete for a term that extends beyond the eligibility of  
22 the student athlete to participate in intercollegiate  
23 sport;

24 “(8) entice a student athlete to enroll at an in-  
25 stitution, transfer to or from an institution, or de-



1       clare an intent to transfer from an institution by  
2       misrepresenting the existence, nature, or value of a  
3       name, image, or likeness opportunity the athlete  
4       agent can arrange on behalf of the student athlete;  
5       or

6               “(9) make a materially false, misleading, decep-  
7       tive, or fraudulent representation as an athlete agent  
8       or in the application for registration as an athlete  
9       agent.”; and

10               (B) in subsection (b)(3), by striking  
11       “Warning to Student Athlete: If you agree oral-  
12       ly or in writing to be represented by an agent  
13       now or in the future you may lose your eligi-  
14       bility to compete as a student athlete in your  
15       sport.”; and

16               (3) by inserting after section 3 the following:

17       **“SEC. 3A. REGISTRATION AND OTHER REQUIREMENTS OF**  
18               **ATHLETE AGENTS AND ATHLETIC ASSOCIA-**  
19               **TIONS.**

20       “(a) REGISTRATION REQUIREMENT.—Prior to rep-  
21       resenting a student athlete for an endorsement contract,  
22       a prospective athlete agent must register with a State.

23       “(b) REGISTRATION ESTABLISHED.—An individual is  
24       deemed to be registered with a State for purposes of this  
25       section if the individual is—

1           “(1) a registered professional sports agent with  
2           a professional sports league or players association, in  
3           good standing; or

4           “(2) registered and certified under the All State  
5           Uniform Agent Acts in the State in which the agent  
6           operates, in good standing.

7           “(c) AGENT FEE CAP.—Fees charged by an athlete  
8           agent in connection with an endorsement contract entered  
9           into by a student athlete shall not exceed 5 percent of the  
10          value of the endorsement contract.

11          “(d) CERTIFICATION TO ATHLETIC ASSOCIATIONS.—

12           “(1) REQUIREMENT.—An athlete agent that  
13           represents a student athlete participating in an  
14           intercollegiate sport governed by an athletic associa-  
15           tion must certify to the athletic association that the  
16           athlete agent is registered with a State.

17           “(2) PROHIBITION.—It is unlawful for an indi-  
18           vidual to certify to an athletic association that the  
19           individual is an athlete agent if the individual is not  
20           registered with a State.

21          “(e) REQUIREMENTS OF ATHLETIC ASSOCIATIONS.—

22           “(1) SEARCHABLE REGISTRY.—It is unlawful  
23           for an athletic association to operate without main-  
24           taining a publicly available website that includes a  
25           searchable database of athlete agents registered

1 under subsection (a) and certified under subsection  
2 (b).

3 “(2) WEBSITE.—An athletic association shall  
4 include on a publicly available website a working link  
5 to, or information on how to locate, the website of  
6 the Commission.”.

7 (b) CLERICAL AMENDMENT.—The table of contents  
8 for the Sports Agent Responsibility and Trust Act is  
9 amended by inserting after the item relating to section 3  
10 the following:

“Sec. 3A. Registration and other requirements of athlete agents and athletic  
associations.”.

11 **SEC. 4. PRIVATE RIGHT OF ACTION.**

12 (a) IN GENERAL.—The Sports Agent Responsibility  
13 and Trust Act (15 U.S.C. 7801 et seq.) is amended by  
14 inserting after section 5 the following:

15 **“SEC. 5A. PRIVATE RIGHT OF ACTION.**

16 “(a) IN GENERAL.—Any current or former student  
17 athlete alleging a violation of this Act by an athlete agent  
18 (other than a violation of section 6(a)) may bring a civil  
19 action against such athlete agent in an appropriate district  
20 court of the United States or in an appropriate State  
21 court.

22 “(b) RELIEF.—In a civil action brought under sub-  
23 section (a) in which the plaintiff prevails, the court may  
24 award—

1 “(1) actual damages;

2 “(2) reasonable attorney’s fees and litigation  
3 costs; and

4 “(3) injunctive, equitable, or declaratory relief,  
5 that the court determines appropriate.

6 “(c) INVALIDITY OF PRE-DISPUTE ARBITRATION  
7 AGREEMENTS AND PRE-DISPUTE JOINT ACTION WAIV-  
8 ERS.—

9 “(1) IN GENERAL.—Notwithstanding any other  
10 provision of law, no pre-dispute arbitration agree-  
11 ment or pre-dispute joint action waiver shall be valid  
12 or enforceable against a student athlete with respect  
13 to a dispute arising under this Act.

14 “(2) APPLICABILITY.—Any determination as to  
15 whether or how paragraph (1) applies to any dispute  
16 shall be made by a court, rather than an arbitrator,  
17 without regard to whether the agreement or waiver  
18 that is the subject of the dispute purports to dele-  
19 gate such determination to an arbitrator.

20 “(3) DEFINITIONS.—In this subsection:

21 “(A) PRE-DISPUTE ARBITRATION AGREE-  
22 MENT.—The term ‘pre-dispute arbitration  
23 agreement’ means any agreement to arbitrate a  
24 dispute that has not arisen at the time of the  
25 making of the agreement.

1                   “(B) PRE-DISPUTE JOINT-ACTION WAIV-  
2                   ER.—The term ‘pre-dispute joint-action waiver’  
3                   means an agreement, whether or not part of a  
4                   pre-dispute arbitration agreement, that would  
5                   prohibit, or waive the right of, one of the par-  
6                   ties to the agreement to participate in a joint,  
7                   class, or collective action in a judicial, arbitral,  
8                   administrative, or other forum, concerning a  
9                   dispute that has not yet arisen at the time of  
10                  the making of the agreement.”.

11           (b) CLERICAL AMENDMENT.—The table of contents  
12 for the Sports Agent Responsibility and Trust Act is  
13 amended by inserting after the item relating to section 5  
14 the following:

“Sec. 5A. Private right of action.”.