



It's a Reverse! Florida Removes University Restrictions From Name, Image, and Likeness Law

Insights

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Governor Ron DeSantis signed a bill on February 16 repealing Florida's Name, Image and Likeness (NIL) law and significantly altering student-athlete NIL compensation, as well as the involvement of Florida universities and colleges. Previously, the state's law limited universities by requiring that any NIL deals with student athletes be conducted by third-parties, or collectives, that have no direct ties or supervision by the universities. Now, Florida has remedied this issue by eliminating these restrictions through House Bill 7-B. How will this impact universities in Florida and the collectives that have been created to support them?

What Has Changed?

Florida enacted its NIL statute in 2021 with the intent of being a leader in a new world of collegiate athletics. The result, however, was an obstacle for universities in the state because the law as written did not permit the universities to "cause compensation to be directed to a current or prospective intercollegiate athlete" — whereas universities in other states were not subject to such restrictions.

Now, Florida has removed the restrictions prohibiting universities from directing compensation to student athletes, thereby allowing universities in Florida to steer endorsements deals and compensation opportunities directly to student athletes. In addition, the new law requires universities and colleges to conduct an additional financial literacy, life skills, and entrepreneurship workshop for student athletes prior to graduation. The law also protects coaches from liability for making routine decisions that could adversely affect an athlete's NIL compensation, such as benching or suspending an athlete.

How Will These Changes Affect Florida Universities and Colleges?

Previously, Florida universities could not work with third-party collectives to ensure their respective goals are aligned — since they were prohibited from causing compensation to be directed to the student athletes. Not only did this restriction put Florida universities at a substantial disadvantage when recruiting high school athletes, but it had also caused significant problems in some instances when third parties who are not affiliated with the universities made unfulfilled promises.

Now that these restrictions have been eliminated, however, Florida universities will be able to work hand-in-hand with the third parties that are actually compensating the student athletes to make the most effective use of resources when trying to attract both high school recruits and transfers from other schools.

5 Steps for Florida Universities and Colleges to Consider Taking

Due to the elimination of these restrictions, you should consider taking the following steps:

1. Assess whether you will need to create new positions in your university or can use existing resources to assist with facilitating NIL compensation to student athletes and educating them to make informed financial decisions.
2. Evaluate what student athlete information, if any, you should be sharing with collectives or other third-parties and whether there are any privacy concerns relating to exchanging such information.
3. When working with collectives or other entities that compensate your student athletes, you should take steps to ensure you are protected from joint employer liability. For example, if possible, you should try to avoid directly supervising athletes when they are performing services for compensation, conducting performance reviews or evaluations unrelated to academics or athletic performance, requiring the athletes to perform specific work in exchange for compensation, or otherwise providing equipment or training that is unrelated to their academic or athletic endeavors with the university.
4. Consider developing strategies and relationships to work cooperatively with collectives to make sure their goals are in sync with your university's goals.
5. Think about whether your current sponsors may be interested in working with student athletes and how your branding efforts and strategic communication initiatives may be impacted.

Conclusion

If you have additional questions about the potential changes on the horizon, feel free to reach out to your Fisher Phillips attorney, the authors of this Insight, or any member of our [Sports Industry Group](#). We'll continue to monitor the status of NIL legislation and will provide updates as warranted, so [make sure you are signed up for Fisher Phillips' Insight System](#) to receive the latest news directly in your inbox.

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