



Federal Full Court Press: Landmark Bipartisan NIL Bill Seeks to Harmonize State-by-State Patchwork and Redefine Amateurism

Insights

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College athletics is racing headfirst into a new era – and some lawmakers want Congress to be the referee. With the bipartisan introduction of the *Student-athlete Protections and Opportunities through Rights, Transparency, and Safety Act* (aptly abbreviated the “SPORTS Act”) on June 10, Representatives Lisa McClain (R-MI) and Janelle Bynum (D-OR) have made a strong move to provide long-awaited federal clarity on name, image, and likeness (NIL) rights. Their proposal takes a direct shot the growing patchwork of conflicting state laws that have left colleges and universities scrambling for footing. What does your institution need to know about this proposal?

How We Got Here: *House v. NCAA* and the Demise of Amateurism

For decades, the NCAA relied on the “revered tradition of amateurism in college sports” to prohibit athletes from receiving compensation tied to their athletic performance. That model came crashing down with the *House v. NCAA* settlement. Described by the court as delivering “extraordinary relief,” Judge Claudia Wilken approved a multibillion-dollar settlement that authorizes direct revenue-sharing between Division I schools and athletes and sets the stage for backpay stretching as far back as 2016.

At the same time, schools have had to navigate a growing patchwork of NIL laws in over 30 states, conflicting court rulings, and aggressive action by the National Labor Relations Board, which has sought to classify athletes as employees. Meanwhile, states are competing with themselves to draft the most favorable laws to aid recruitment to their universities, student-athletes are signing seven-figure NIL deals, collectives are operating with little oversight, and universities remain at risk of eligibility challenges and compliance headaches. The current system is, by most accounts, unworkable.

What the SPORTS Act Would Do

The SPORTS Act ([which can be found here](#)) proposes a comprehensive national framework to regulate NIL and protect student-athletes. Here are some of its most notable provisions:

- **Preemption of State Laws:** The bill would wipe the slate clean by preempting all existing and future state NIL laws. No state could require greater or lesser rights than those outlined in the Act.

- **Student-Athletes Are Not Employees:** The bill would codify that student-athletes cannot be considered employees of their schools, conferences, or the NCAA based solely on participation in college sports.
- **Guardrails for NIL Agreements:** The bill outlines enforceable standards for NIL contracts, including written terms, fair market value disclosures, and required education for student-athletes.
- **NIL Market Transparency:** If passed, institutions must submit anonymized data about NIL deals to their conference or national governing body, which must maintain a public database to assist athletes and their representatives in assessing fair market value.
- **Protections for Institutions:** The bill would limit liability for schools and conferences that act in accordance with its provisions – even if those actions would otherwise run afoul of state or federal labor or antitrust laws.
- **Scholarship Protection:** The bill would prevent institutions from rescinding or reducing scholarships based on poor athletic performance, injury, or roster management.
- **Athlete Agent Oversight:** It also would establish standards and disclosure policies for athlete agents who assist student-athletes in negotiating NIL deals.
- **Federal Funding Hook:** Institutions that fail to comply with education, health care, or grant-in-aid protections for athletes would lose access to Department of Education funding under terms of the bill.

What College Athletic Departments Should Do Now

Regardless of whether the SPORTS Act becomes law – and the legislative path ahead is anything but certain – its introduction is a signpost of where things are headed. Here's what athletic departments should be doing now to prepare for what's next:

✓ Review NIL Disclosure Protocols

The bill requires athletes to disclose NIL contracts within 60 days and mandates schools maintain privacy protections. Institutions should shore up their internal disclosure systems and evaluate how they safeguard confidential NIL information.

✓ Audit Grant-in-Aid and Medical Care Policies

The bill would require schools to maintain multi-year scholarships, cover post-graduation medical expenses tied to sports injuries for up to four years, and allow student-athletes to use scholarships to finish a degree within 10 years.

✓ Update Athlete Education Programs

The SPORTS Act would condition federal funding on providing students with training on financial literacy, mental health, transfer rules, NIL, and more. If your programming in these areas is patchy or nonexistent, it's time to invest.

✓ **Reevaluate Collective and Booster Relationships**

The proposed bill prohibits NIL deals that serve as recruiting inducements or violate institutional policies. Schools should work with legal counsel to evaluate whether current collective relationships might trigger ineligibility under the proposed federal NIL regime.

✓ **Develop a Long-Term Compliance Strategy**

From market value databases to NIL agent registration, the Act signals a shift toward regulated transparency. Schools should begin developing NIL compliance infrastructure akin to what already exists for Title IX and NCAA bylaws.

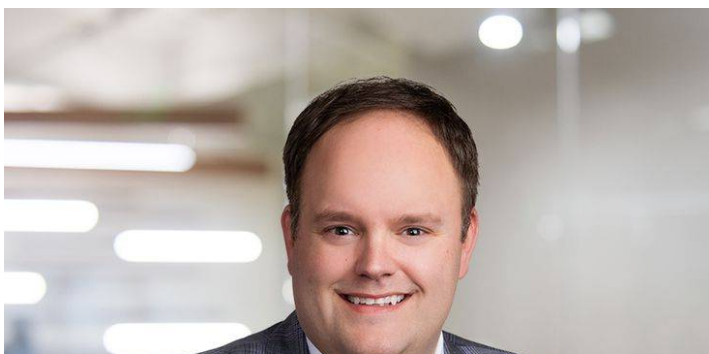
Final Whistle

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