
Advanced Certificate in Sports Law

Professional Sports Contracts

****Agent****: A person who represents and negotiates on behalf of a professional athlete in contract negotiations with a sports team or organization. Agents may also provide other services such as financial management and career planning.

****Arbitration****: A process used to resolve disputes between a professional athlete and a sports team or organization. In arbitration, a neutral third party, known as an arbitrator, hears evidence and arguments from both sides and makes a binding decision.

****Assignment and Release****: A clause in a professional sports contract that allows a player to be traded or released from the team. This clause gives the team the right to transfer the player's contract to another team or to terminate the contract, releasing the player from the team.

****Collective Bargaining Agreement (CBA)****: A contract between a professional sports league and the players' union that sets the terms and conditions of employment for all players in the league. The CBA typically includes provisions related to player salaries, benefits, and working conditions.

****Draft****: A process used by professional sports teams to select new players. In a draft, teams take turns selecting players who are eligible to play in the league. The order of selection is typically based on the teams' records from the previous season, with the teams that performed the worst getting the earliest picks.

****Free Agency****: A period during which professional athletes are able to negotiate and sign contracts with any team in the league. Free agency typically occurs after a player's contract with a team has expired.

****Franchise Tag****: A designation given to a professional athlete by a sports team that restricts the player's ability to negotiate with other teams. The franchise tag is typically used to prevent a key player from leaving the team as a free agent.

****Grievance****: A complaint or dispute raised by a professional athlete or the players' union against a sports team or organization. Grievances may be related to a variety of issues, including contract disputes, disciplinary actions, and working conditions.

****Guaranteed Contract****: A contract in which a professional athlete is guaranteed to receive a certain amount of money, regardless of whether they are able to play due to injury or other circumstances. Guaranteed contracts are relatively rare in professional sports.

****Minimum Salary****: The lowest salary that a professional athlete can be paid under the terms of a collective bargaining agreement. The minimum salary is typically determined by the players' union and is designed to protect players from being underpaid.

****No-Trade Clause****: A clause in a professional sports contract that prevents a player from being traded to

another team without their consent. No-trade clauses are typically negotiated by high-profile players as a condition of signing a contract.

****Opt-Out Clause****: A clause in a professional sports contract that allows a player to terminate the contract before its expiration date. Opt-out clauses are typically used by players who want to become free agents and negotiate a new contract with another team.

****Player Option****: A clause in a professional sports contract that gives a player the right to opt out of the contract after a certain number of years. Player options are typically used by players who want to test the free agent market and potentially sign a more lucrative contract with another team.

****Restricted Free Agency****: A period during which a professional athlete is able to negotiate and sign a contract with any team in the league, but the player's original team has the right to match any offer and retain the player. Restricted free agency is typically used to protect teams from losing young, promising players to other teams.

****Roster Bonus****: A bonus paid to a professional athlete as part of their contract. Roster bonuses are typically paid if the player is on the team's roster at the start of the season or on a specific date.

****Salary Cap****: A limit on the total amount of money that a professional sports team can spend on player salaries. The salary cap is typically set by the league and is designed to promote competitive balance.

****Signing Bonus****: A bonus paid to a professional athlete when they sign a contract with a team. Signing bonuses are typically paid as a lump sum and are in addition to the player's base salary.

****Trade****: A transaction in which a professional athlete is transferred from one team to another in exchange for other players, draft picks, or other considerations. Trades are typically negotiated by the teams' general managers and approved by the players involved.

****Unrestricted Free Agency****: A period during which a professional athlete is able to negotiate and sign a contract with any team in the league without any restrictions. Unrestricted free agency is typically available to players who have completed a certain number of years in the league or whose contracts have expired.

****Waivers****: A process used by professional sports teams to transfer the rights to a player who has been released from their contract. When a player is waived, other teams in the league have the opportunity to claim the player and assume their contract. If no team claims the player, they become a free agent.

****Workout Bonus****: A bonus paid to a professional athlete for participating in off-season workouts or training camps. Workout bonuses are typically included in a player's contract as an incentive for the player to stay in shape and be ready to play at the start of the season.