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HOUSE BILL 1763

State of Washington 64th Legislature 2015 Regular Session

By Representatives Van De Wege, Lytton, Riccelli, and Tharinger

Read first time 01/28/15. Referred to Committee on Business & Financial Services.

- 1 AN ACT Relating to regulating music licensing agencies; adding a
- 2 new chapter to Title 19 RCW; and prescribing penalties.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Department" means the department of licensing.
- (2) "Music licensing agency" means any individual, partnership, 8 9 association, limited liability company, limited liability partnership, trust, corporation, and any other legal entity of two or 10 11 more copyright owners or proprietors, which has or claims the exclusive or nonexclusive authority to issue, grant, or to contract 12 13 for performing rights licenses for two or more copyright owners.
- 14 (3) "User" means any person who, directly or indirectly, performs 15 or causes to be performed, musical composition for profit.
- NEW SECTION. Sec. 2. A music licensing agency that licenses the performing rights to music may not license or attempt to license the use of or collect or attempt to collect any compensation on account of any sale, license, or other disposition regarding the performance rights of music unless the music licensing agency:

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- 1 (1) Files annually with the secretary of state in duplicate a 2 certified copy of each performing rights contract or license 3 agreement made available from the music licensing agency or copyright 4 owner to any user within the state;
 - (2) Completes a master business application and supplemental information form, as prescribed by the department; and

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- 7 (3) Pays annually to the department a registration fee of one 8 thousand five hundred dollars.
- 9 <u>NEW SECTION.</u> **Sec. 3.** A music licensing agency is subject to a civil penalty of not more than one thousand dollars for each separate violation of this chapter. Multiple violations on a single day may be considered separate violations. The penalty may be imposed by the department or in any court of competent jurisdiction and may be imposed separately and in addition to any private party claims for violations under this chapter.
- Sec. 4. A person employed by or working as a 16 NEW SECTION. contractor or agent for a music licensing agency may not enter onto 17 the premises of a proprietor's business for the purpose of seeking or 18 19 establishing a basis for seeking payment or a contract for payment of royalties for the use of copyrighted works by that proprietor without 20 first identifying himself or herself to the proprietor or the 21 proprietor's employees and disclosing that the person is acting on 22 23 behalf of a music licensing agency and disclosing the purposes for 24 being on the premises.
 - NEW SECTION. Sec. 5. The legislature finds that the practices covered by section 4 of this act are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.
 - NEW SECTION. Sec. 6. In collaboration with the office of the attorney general, the department shall conduct a consumer alert campaign to inform business proprietors of their rights and responsibilities regarding the public performance of copyrighted

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- 1 music. Any fees collected pursuant to section 2 of this act and any
- 2 penalties imposed pursuant to section 3 of this act must be used to
- 3 fund the consumer alert campaign.
- 4 <u>NEW SECTION.</u> **Sec. 7.** Sections 1 through 6 of this act
- 5 constitute a new chapter in Title 19 RCW.

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