

House File 498 - Introduced

HOUSE FILE 498
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 180)

A BILL FOR

1 An Act relating to the practices of performing rights
2 societies.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 549.3, subsection 1, Code 2021, is
2 amended to read as follows:

3 1. A performing rights society shall not enter onto the
4 business premises of a proprietor for the purpose of discussing
5 a contract for the payment of royalties by the proprietor,
6 ~~unless the performing rights society identifies itself to~~
7 ~~the proprietor and describes to the proprietor the purpose~~
8 ~~for entering onto the proprietor's business premises~~ the
9 performing rights society first makes an appointment to meet
10 with the proprietor at the business premises during normal
11 business hours. Upon entering onto the business premises, the
12 performing rights society shall clearly identify itself to
13 the proprietor and describe to the proprietor the purpose for
14 entering onto the business premises.

15 Sec. 2. Section 549.5, Code 2021, is amended to read as
16 follows:

17 **549.5 Improper licensing practices.**

18 A performing rights society shall not do any of the
19 following:

20 1. A performing rights society shall not collect, Collect
21 or attempt to collect, from a proprietor licensed by that
22 performing rights society, a royalty payment except as provided
23 in a contract executed pursuant to the provisions of this
24 chapter.

25 2. Make a misleading or threatening verbal or written
26 communication to a proprietor in connection with a contract for
27 the payment of royalties or an attempt to collect royalties.

28 3. State or imply in a verbal or written communication with
29 a proprietor that the performing rights society is an agent
30 or representative of a public body, regulatory agency, or law
31 enforcement agency.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 This bill relates to the practices of performing rights

1 societies.

2 Current law prohibits a performing rights society from
3 entering onto the business premises of a proprietor for the
4 purpose of discussing a contract for the payment of royalties
5 unless the performing rights society identifies itself to the
6 proprietor and describes to the proprietor the purpose for
7 entering onto the business premises. The bill modifies this
8 prohibition by requiring the performing rights society to make
9 an appointment to meet with the proprietor at the business
10 premises during normal business hours before the performing
11 rights society may enter onto the business premises for the
12 purpose of discussing a contract for the payment of royalties.
13 The bill also requires the performing rights society, upon
14 entering the business premises, to clearly identify itself to
15 the proprietor and describe to the proprietor the purpose for
16 entering onto the premises.

17 The bill prohibits a performing rights society from making a
18 misleading or threatening verbal or written communication to
19 a proprietor in connection with a contract for the payment of
20 royalties or an attempt to collect royalties. The bill also
21 prohibits a performing rights society from stating or implying
22 in a communication with a proprietor that the performing
23 rights society is an agent or representative of a public body,
24 regulatory agency, or law enforcement agency.

25 Current law provides that a person who suffers a violation of
26 Code chapter 549 may bring an action to recover actual damages
27 and reasonable attorney fees. Current law also allows a person
28 to seek injunctive relief for a violation of Code chapter 549.
29 The remedies provided in Code chapter 549 are cumulative of any
30 other remedy afforded by common law, state law, or federal law.