

## Article - Commercial Law

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§11-1402.

(a) (1) A performing rights society may not enter into or execute a contract for the payment of royalties by a proprietor unless, no later than 72 hours prior to the execution of the contract, the performing rights society provides to the proprietor, in writing, the following:

- (i) A schedule of the rates and terms of royalties under the contract;
- (ii) A schedule of the rates and terms of royalties under agreements executed by the performing rights society and proprietors of comparable businesses in the area;
- (iii) The toll free telephone number required under paragraph (2) of this subsection;
- (iv) In the case of a performing rights society which offers discounts to proprietors in the area on any basis, the amounts and terms of those discounts; and
- (v) Notice that the proprietor is entitled to the information required by this section, and that the failure of the performing rights society to provide that information is a violation of this subtitle and may render a contract unenforceable under this subtitle.

(2) The performing rights society shall establish a toll free telephone number which can be used to answer inquiries of a proprietor regarding specific musical works and the copyright owners represented by that performing rights society.

(b) Every contract between a performing rights society and a proprietor for the payment of royalties executed or renewed in this State shall:

- (1) Be in writing;
- (2) Be signed by the parties to the contract; and
- (3) Include at least the following information:
  - (i) The proprietor's name and business address and the name and location of each place of business to which the contract applies;
  - (ii) The name and business address of the performing rights society;
  - (iii) The duration of the contract; and
  - (iv) The schedule of rates and terms of the royalties to be collected

under the contract, including any sliding scale, discount, or schedule for any increase or decrease of those rates for the duration of the contract.

(c) (1) Subject to paragraph (2) of this subsection, the performing rights society shall offer to the proprietor a 1-year contract.

(2) The performing rights society and the proprietor may agree to a contract for other than 1 year.

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