

FACT SHEET – AB 1385 (Gonzalez) Free Artists from Industry Restrictions (FAIR) Act

Purpose

To restore actors' and recording artists' ability to choose what projects they work on by removing unfair restrictions from studio and label contracts.

Background

As originally designed nearly 150 years ago, the Seven Year Statute, as Section 2855 of the California Labor Code is commonly referred to, protected all Californians from being trapped in long-term employment contracts by prohibiting these contracts from lasting more than seven years.

In 1987, record labels lobbied to amend the law to effectively exclude recording artists. As a result of this amendment, recording artists who seek the protection of the Seven Year Statute are liable for potentially massive damages if they want to work for themselves or with another label.

Due to the law, many actors are under contracts that prohibit them from doing or finding work in between seasons. The advent of new forms of content distribution, like streaming services, has changed production schedules, eliminating the stability of annual work schedules that included consistent work for nine months each television season.

Today, many TV and new media series shoot episodes for 3 to 6 months per season and withhold subsequent seasons for as long as two years. When an employer decides that an actor must remain exclusive to them, they require a contract that prevents the actor from working for anyone else for years at a time. This means regular performers on a television show, who are compensated for work on each episode, are not only earning less money per season, but are also forced to stretch their income over lengthy and unpredictable periods of time.

The music business has also undergone massive changes due to streaming. Many record labels have enjoyed a surge in profits due to an elimination of manufacturing and distribution costs associated with developing an artist. However, recording contracts remain outdated with terms favoring the record labels.

What This Bill Will Do

The FAIR Act will modernize the law to reflect how film, television, and music are made and distributed today by limiting the length of time that production studios and record labels are able to unilaterally hold actors' and recording artists' contracts to no longer than six months.



This bill will also require studios to exercise their talent option and produce the subsequent season within 12 months after the actor's performance services are completed for the prior season, curtailing the length of time actors are held off the market without pay.

Support

California Labor Federation, AFL-CIO (Sponsor)

Black Music Action Coalition (Sponsor)

SAG-AFTRA (Sponsor)

Music Artists Coalition (Sponsor)

Songwriters of North America (Sponsor)

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