

STAND. COM. REP. NO.

2526

Honolulu, Hawaii

FEB 17, 2006

RE: S.B. No. 2741
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Media, Arts, Science, and Technology, to which was referred S.B. No. 2741 entitled:

"A BILL FOR AN ACT RELATING TO ARTIST RECORDING CONTRACTS,"

begs leave to report as follows:

The purpose of this measure is to authorize recording artist royalty recipients to audit the books and records of a royalty reporting party and to establish procedures for an action for accounting.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, and a private attorney. Your Committee received testimony in opposition to this measure from a private attorney.

Artistic labor is vital to maintaining a healthy and vibrant recording industry. Every recording artist should have the ability to conduct an audit to verify earnings and royalties reported under a recording contract. Your Committee finds that establishing a set of basic audit practices will advance and protect the interests of recording artists and the recording industry. Amending the law by adding a new section will authorize recording artists to audit the books and records of a royalty reporting party.

Your Committee has amended this measure by making changes to and adding new definitions to the new section. The definition for "contract" was amended to specify the contract as a "participation

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contract," and "royalty reporting party" was changed to "royalty payor." The measure was further amended by your Committee to specify the procedures that are available to a royalty recipient and provide damages for the prevailing party's costs including attorneys' fees. Your Committee appreciates the efforts of two private attorneys who worked together to assist your Committee in making the amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2741, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Media, Arts,
Science, and Technology,


CAROL FUKUNAGA, Chair



