

Introduced: 2/7/86
Referred: Labor & Commerce
and Judiciary

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 551

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Motion Picture Fair Competition."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. LEGISLATIVE PURPOSE. The purpose of this Act is

9 (1) to establish fair and open procedures for bidding and nego-
10 tiation for the right to exhibit motion pictures in the state in order to
11 prevent unfair and deceptive acts or practices and unreasonable restraints
12 of trade in the business of motion picture distribution and exhibition
13 within the state;

14 (2) to promote fair and effective competition in that business;

15 (3) to prevent the award of motion picture licenses on other
16 than an individual, picture-by-picture, theatre-by-theatre basis;

17 (4) to promote the survival of small, independent exhibitors;

18 and

19 (5) to ensure that an exhibitor has the opportunity to view a
20 motion picture and know its contents before deciding to exhibit the motion
21 picture in the community.

22 * Sec. 2. AS 45 is amended by adding a new chapter to read:

23 CHAPTER 51. EXHIBITION OF MOTION PICTURES.

24 Sec. 45.51.010. PROHIBITED AND REQUIRED PRACTICES. (a) The
25 buying or selling of the right to exhibit a motion picture by blind
26 bidding or blind selling is prohibited in the state.

27 (b) Bids may not be returnable, negotiations for the licensing
28 or exhibition of a motion picture may not take place and a license
29 agreement and its terms may not be agreed upon for the exhibition of a

1 motion picture in the state before the motion picture has been trade
2 screened.

3 (c) A distributor shall provide reasonable and uniform written
4 notice to each exhibitor in the state at least 72 hours before a trade
5 screening.

6 Sec. 45.51.020. SOLICITATION OF BIDS. (a) When a bid is solici-
7 tated from exhibitors relating to the exhibition of a motion picture in
8 the state,

9 (1) the invitation to bid shall specify

10 (A) whether the bid being solicited is a first, sec-
11 ond, or subsequent run;

12 (B) whether the run is an exclusive or nonexclusive
13 run and the geographic area for the run;

14 (C) the name of each exhibitor who is being solicited;

15 (D) the date and hour the invitation to bid expires;

16 and

17 (E) the time, date, and the address in the largest
18 city in the state where the bids will be opened;

19 (2) all bids shall be submitted in writing and shall be
20 opened at the same time and in the presence of the exhibitors who
21 submitted bids or their agents who attend the bid opening;

22 (3) immediately upon being opened, the bids shall be ex-
23 amined by the exhibitors who submitted bids or their agents who attend
24 the bid opening;

25 (4) within 10 business days after the bids are opened, the
26 distributor shall advise each exhibitor who submitted a bid

27 (A) of the name of the highest bidder; and

28 (B) the name of the bidder who received the award of
29 exhibition rights; or

1 (C) that each bid submitted was unacceptable.

2 (b) Once bids are solicited under (a) of this section, the
3 distributor may solicit rebids only if each bid is unacceptable.

4 (c) If an exhibitor notifies a distributor that it wishes to
5 submit bids for motion pictures released by the distributor in a
6 particular area of the state designated by the exhibitor, the exhibi-
7 tor and each competing exhibitor shall be solicited for bids for the
8 first or second run of each motion picture to be released by the
9 distributor in the designated area.

10 Sec. 45.51.030. REJECTION OF BIDS. The decision of a distribu-
11 tor that a bid is an unacceptable bid is conclusive unless a reason-
12 able person could not have made that judgment.

13 Sec. 45.51.040. VIOLATION. A person aggrieved by a violation
14 of this chapter may bring a civil action in superior court to enjoin
15 further violations and to recover damages.

16 Sec. 45.51.050. DAMAGES. If the violation of this chapter is
17 determined to be intentional, an aggrieved exhibitor may recover
18 punitive damages necessary to deter a similar violation in the future.

19 Sec. 45.51.060. WAIVER. A purported waiver of rights estab-
20 lished by this chapter is void and unenforceable and this chapter
21 shall be liberally construed to achieve its purpose.

22 Sec. 45.51.100. DEFINITIONS. In this chapter

23 (1) "blind bidding" means an exhibitor's bid or negotiation
24 for or the exhibitor's offer or agreement to terms for the license to
25 exhibit a motion picture at a time either before the motion picture
26 has been trade screened in the state or before the motion picture has
27 been otherwise made available for viewing in the state by all exhibi-
28 tors;

29 (2) "blind selling" means the distributor's agreement to

1 license a motion picture before an exhibitor has been afforded an
2 opportunity to view the motion picture by trade screening;

3 (3) "buying" or "selling" of the right to exhibit a motion
4 picture means the licensing of a theatre to show the motion picture
5 for a specified number of days for a specified price;

6 (4) "distributor" means a person engaged in the business of
7 distributing more than one motion picture during a calendar year to
8 exhibitors by rental, sale, licensing, or other agreement;

9 (5) "motion picture" means a feature motion picture exceed-
10 ing 60 minutes in showing time;

11 (6) "run" means the continuous exhibition of a motion
12 picture in a defined geographic area for a specific period of time;

13 (7) "trade screening" means an exhibition of a motion
14 picture, before its release for public exhibition by a distributor;

15 (8) "unacceptable bid" means a bid that is inferior to the
16 lowest bid the distributor would accept for the same run of the same
17 picture in an area having a population equal to or greater than the
18 population of the area for which the inferior bid was made.