

118TH CONGRESS  
2D SESSION

# H. R. 7763

To establish the Artist Compensation Royalty Fund, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2024

Ms. TLAIB (for herself, Mr. BOWMAN, Mr. THOMPSON of Mississippi, Mrs. RAMIREZ, and Ms. OCASIO-CORTEZ) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To establish the Artist Compensation Royalty Fund, and  
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Living Wage for Musi-  
5 cians Act of 2024”.

6 **SEC. 2. ARTIST COMPENSATION ROYALTY FUND.**

7 (a) ESTABLISHMENT.—

8 (1) IN GENERAL.—The Register, with the ap-  
9 proval of the Librarian of Congress, shall designate  
10 an eligible entity to establish and administer a fund

1 to be known as the Artist Compensation Royalty  
2 Fund.

3 (2) NOTICE OF DESIGNATION IN FEDERAL REG-  
4 ISTER.—Not later than 30 days after the eligible en-  
5 tity is designated under paragraph (1), the Register  
6 shall publish a notice in the Federal Register that—

7 (A) includes the contact information for  
8 the eligible entity; and

9 (B) the reason for why the Register des-  
10 igned the eligible entity under such para-  
11 graph.

12 (b) DEPOSIT OF AMOUNTS INTO FUND.—

13 (1) DEPOSIT.—The Fund Administrator shall  
14 deposit into the Fund any amounts received by the  
15 Fund Administrator under paragraph (2) or (3).

16 (2) AMOUNTS FROM SERVICE PROVIDERS.—Not  
17 later than the last day of the first calendar quarter  
18 after the calendar quarter in which the Fund admin-  
19 istrator is designated, and each calendar quarter  
20 thereafter, a service provider shall provide to the  
21 Fund Administrator, for deposit into the Fund—

22 (A) the amounts collected by the service  
23 provider in the prior calendar quarter from the  
24 living wage royalty fee; and

1 (B) 10 percent of any non-subscription  
2 revenue received by the service provider in the  
3 prior calendar quarter.

4 (3) AMOUNTS FROM SOURCES OTHER THAN  
5 SERVICE PROVIDERS.—The Fund Administrator may  
6 receive amounts for deposit into the Fund from any  
7 source, including from a Federal, State, or local gov-  
8 ernment.

9 (c) USE OF FUND.—Amounts in the Fund shall be  
10 made available in accordance with section 3.

11 **SEC. 3. PAYMENTS TO MUSICAL ARTISTS FROM ARTIST**  
12 **COMPENSATION ROYALTY FUND.**

13 (a) IN GENERAL.—

14 (1) ALLOCATION OF PAYMENTS.—Amounts in  
15 the Fund shall be allocated as follows:

16 (A) 90 percent of such amounts shall be  
17 allocated for payments to eligible featured art-  
18 ists.

19 (B) 10 percent of such amounts shall be  
20 allocated for payments to eligible non-featured  
21 artists.

22 (2) PAYMENTS FROM FUND.—Not later than  
23 the last day of the calendar quarter in which  
24 amounts are first deposited into the Fund under sec-  
25 tion 2(b)(2), and once each calendar quarter there-

1 after, the Fund Administrator shall promptly pro-  
2 vide—

3 (A) a percentage of the amount allocated  
4 under paragraph (1)(A) of this subsection to  
5 each eligible featured artist, that is equal to the  
6 percentage of qualifying streams accrued by the  
7 eligible featured artist in the prior calendar  
8 quarter out of all qualifying streams accrued by  
9 all eligible featured artists in the prior calendar  
10 quarter; and

11 (B) payment from the amount allocated  
12 under paragraph (1)(B) of this subsection to  
13 the American Federation of Musicians and  
14 Screen Actors Guild and the American Federa-  
15 tion of Television and Radio Artists Intellectual  
16 Property Rights Distribution Fund (or any suc-  
17 cessor Fund) for distribution to each eligible  
18 non-featured artist.

19 (3) UNCLAIMED FUNDS.—If the Fund Adminis-  
20 trator attempts to the best of the ability of the Fund  
21 Administrator to identify an eligible featured artist  
22 to provide payment to such artist under paragraph  
23 (2)(A), and is unable to identify such artist at such  
24 time, the Fund shall—

1 (A) retain the required payment in a seg-  
2 regated trust account; and

3 (B) if the Fund Administrator is not able  
4 to identify such artist after a period determined  
5 reasonable by the Fund Administrator, deposit  
6 the payment back into the Fund.

7 (b) RETENTION OF RECORDS.—The Fund Adminis-  
8 trator shall—

9 (1) keep books and records relating to—

10 (A) amounts provided to the Fund Admin-  
11 istrator under section 2(b)(2); and

12 (B) amounts distributed from the Fund  
13 under subsection (a) of this section; and

14 (2) retain any such book or record for a period  
15 of not less than 3 calendar years after the date on  
16 which such book or record is created.

17 **SEC. 4. SERVICE PROVIDER OBLIGATIONS.**

18 (a) LIVING WAGE ROYALTY FEE.—Beginning on a  
19 date determined appropriate by the Fund Administrator,  
20 service provider shall charge each person charged a sub-  
21 scription fee by the provider an additional fee in an  
22 amount equal to 50 percent of the subscription fee charged  
23 by the service provider, except that such additional fee  
24 shall not be an amount less than \$4 or more than \$10.

1       (b) NOTICE OF ADDITIONAL FEE.—In each state-  
2 ment or receipt a service provider provides for the charge  
3 of a subscription fee and the additional fee required by  
4 subsection (a), the service provider shall include a line  
5 item describing such additional fee.

6       (c) TREATMENT OF ROYALTY.—A service provider  
7 may not include the amounts collected by the service pro-  
8 vider from the living wage royalty fee in any calculation  
9 by the service provider of the total costs or revenue of con-  
10 tent for the service provider.

11       (d) RECORDS.—

12           (1) RETENTION.—Beginning on the date on  
13 which the Fund administrator is designated—

14               (A) each service provider shall keep books  
15 and records relating to activities carried out by  
16 the provider under this Act; and

17               (B) retain such book and records for a pe-  
18 riod of not less than 3 calendar years after the  
19 date on which such book or record is created.

20       (2) REGULATIONS.—The Fund Administrator  
21 may—

22           (A) require, by regulation, that service pro-  
23 viders provide the Fund Administrator informa-  
24 tion on—

1 (i) non-subscription revenue received  
2 by the service provider;

3 (ii) revenue received by the service  
4 provider from subscription fee;

5 (iii) the collection of the living wage  
6 royalty fee by the provider; and

7 (iv) data of the service provider with  
8 respect to the number streams accrued by  
9 artists through such provider; and

10 (B) audit the books and records of a serv-  
11 ice provider to verify any information provided  
12 by that service provider under subparagraph  
13 (A).

14 **SEC. 5. ENFORCEMENT.**

15 The Fund Administrator may establish, by regula-  
16 tion, penalties for—

17 (1) a violation of a prohibition under this Act  
18 by a service provider; or

19 (2) a failure to comply with a requirement  
20 under this Act by a service provider.

21 **SEC. 6. DEFINITIONS.**

22 In this Act:

23 (1) **ARTIST.**—The term “artist”—

24 (A) means a human creator; and

25 (B) does not include—

- 1 (i) corporate entities; or  
2 (ii) fully generative artificial intel-  
3 ligence.

4 (2) ELIGIBLE ENTITY.—The term “eligible enti-  
5 ty” means—

6 (A) a single non-profit entity that is—

- 7 (i) established solely for the purpose  
8 of establishing and administering the  
9 Fund;  
10 (ii) governed by a Board of Directors  
11 that includes—

12 (I) committees that are composed  
13 of a mix of voting and nonvoting  
14 members; and

15 (II) artist representatives as  
16 members of the Board; and

17 (iii) able to demonstrate to the Reg-  
18 ister that, by the date described under sec-  
19 tion 3(a)(2) the entity will have the admin-  
20 istrative and technological capabilities to  
21 establish and administer the Fund in ac-  
22 cordance with this Act; and

23 (B) if no entity meets the criteria under  
24 subparagraph (A), an entity determined by the  
25 Register to most nearly fit such criteria.



1           (3) ELIGIBLE FEATURED ARTIST.—The term  
2 “eligible featured artist” means a featured artist  
3 who—

4           (A) registers with the Fund; and

5           (B) provides the Fund Administrator with  
6 the information determined necessary by the  
7 Fund Administrator—

8           (i) identify or locate such featured  
9 artist; and

10           (ii) provide payment to such featured  
11 artist (or a person designated by such art-  
12 ist to receive such payment on behalf of  
13 such artist).

14           (4) ELIGIBLE NON-FEATURED ARTIST DE-  
15 FINED.—In this paragraph, the term “eligible non-  
16 featured artist” means a non-featured artist that  
17 provides the American Federation of Musicians and  
18 Screen Actors Guild and the American Federation of  
19 Television and Radio Artists Intellectual Property  
20 Rights Distribution Fund (or any successor Fund)  
21 with the information determined necessary by such  
22 Fund—

23           (A) to identify or locate such non-featured  
24 artist; and

1 (B) provide payment to the non-featured  
2 artist (or a person designated by such artist to  
3 receive such payment on behalf of such artist).

4 (5) END USER.—The term “end user” means a  
5 unique person that receives an offering from the  
6 service provider, including the following:

7 (A) A person who pays no fee for receiving  
8 the offering.

9 (B) A person who pays a subscription fee  
10 for receiving the offering.

11 (6) FEATURED ARTIST.—The term “featured  
12 artist” means an artist who is prominently featured  
13 on a sound recording made available through an of-  
14 fering.

15 (7) FUND.—The term “Fund” means the Art-  
16 ist Compensation Royalty Fund established by the  
17 Fund Administrator under section 2(a).

18 (8) FUND ADMINISTRATOR.—The term “Fund  
19 Administrator” means the eligible entity designated  
20 under section 2(a)(1).

21 (9) LIVING WAGE ROYALTY FEE.—The term  
22 “living wage royalty fee” means the additional fee  
23 required to be charged under section 4(a).

1           (10) MASTER RECORDING.—The term “master  
2 recording” means the original sound recording of a  
3 song.

4           (11) NON-FEATURED ARTIST.—The term “non-  
5 featured artist”—

6           (A) means an artist who is not promi-  
7 nently featured on a sound recording made  
8 available through an offering; and

9           (B) includes the following:

10                   (i) A session musician.

11                   (ii) A back-up vocalist.

12           (12) NON-SUBSCRIPTION REVENUE.—The term  
13 “non-subscription revenue” means any revenue re-  
14 ceived from music streaming (including revenue re-  
15 ceived from advertising with respect to such music  
16 streaming), other than revenue from a subscription  
17 fee.

18           (13) OFFERING.—The term “offering” means  
19 the provision of a stream by a service provider.

20           (14) QUALIFYING STREAM.—The term “quali-  
21 fying stream” means with respect to a master re-  
22 cording and a calendar month, the lesser of—

23           (A) the number of streams of the master  
24 recording accrued by the eligible featured artist  
25 in that calendar month; and

1 (B) 1,000,000 streams.

2 (15) REGISTER.—The term “Register” means  
3 the Register of Copyrights.

4 (16) SERVICE PROVIDER.—The term “service  
5 provider” means an entity, that—

6 (A) provides a stream to an end user;

7 (B) contracts with or has a direct relation-  
8 ship with an end user to provide such streams;  
9 and

10 (C) controls which such streams are made  
11 available to such end users.

12 (17) STREAM.—The term “stream”—

13 (A) means an interactive, encrypted digital  
14 transmission that embodies a master recording  
15 that allows a person to receive and listen to  
16 such master recording upon request at a time  
17 chosen by the person;

18 (B) does not include a temporary copy of  
19 such master recording—

20 (i) generated by a service provider in  
21 the course of providing the transmission;  
22 and

23 (ii) used solely for the purpose of  
24 caching or buffering.

1           (18) SUBSCRIPTION FEE.—The term “subscrip-  
2           tion fee” means a monthly fee that a person pays to  
3           the service provider to access an offering of the serv-  
4           ice provider, whether or not the person pays the fee  
5           on a standalone basis or as part of a single trans-  
6           action that includes such fee and another fee for one  
7           or more product or services having more than token  
8           value.

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