



April 1, 2022

The Honorable Ash Kalra  
California State Assembly  
State Capitol  
Sacramento, CA 95814

**RE: Opposition to AB 2926**

Dear Assemblymember Kalra,

Established in 1924, the Central City Association (CCA) is committed to Downtown Los Angeles' vibrancy and increasing opportunity in the region. **To that extent, CCA opposes AB 2926 as it would be detrimental to California's music industry by slashing opportunities for hard-working artists by upending the balance between artists and record companies while weakening the state's economic recovery.**

AB 2926 will eliminate any recourse for record companies if artists fail to deliver the promised recording. It would also unjustly force companies to decide whether to exercise options for subsequent records within only nine months of the previous album, effectively getting rid of the last seven-year rule for recording contracts reducing them to merely nine months. The bill would freeze statutory law-specific conditions for renegotiations of contracts that tie the hands of the artists seeking long-term partnerships and destroy the use of exclusive employment agreements in every industry in the state.

If enacted, AB 2926 would reduce investment opportunities for artists by increasing financial risk for record companies and limiting development growth for artists. Perceived financial risks by labels hurt diverse voices and genres that would not have the traditional commercial success of other mainstream acts, diminishing critical musical groups.

AB 2926 eliminates the independence artists must have to negotiate flexible contracts that are mutually beneficial through foreclosing exclusive employment contracts, which would have severely harmful consequences for the state's economy. Currently, the music industry adds nearly \$40 billion annually to California's GDP, supporting over 430,000 jobs and 72,000 venues. Passing AB 2926 will destabilize one of California's leading industries and penalize thousands of artists and businesses that support them.

**AB 2926, if passed, will be detrimental to artists, record labels, and California's economy, and for those reasons we are respectfully urging you to oppose this legislation.**

Sincerely,

Jessica Lall  
CEO & President  
Central City Association