

ASSEMBLY BILL

No. 465

Introduced by Assembly Member Houston

February 20, 2007

An act to amend Section 2855 of the Labor Code, relating to personal services contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 465, as introduced, Houston. Personal services contracts.

Existing law generally prohibits the enforcement against employees of contracts to render personal services more than 7 years after the time service commences.

This bill would exempt employees who play on professional sports teams in California from this prohibition.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2855 of the Labor Code is amended to
2 read:
3 2855. (a) Except as otherwise provided in subdivision (b) *or*
4 (c), a contract to render personal service, other than a contract of
5 apprenticeship as provided in Chapter 4 (commencing with Section
6 3070), may not be enforced against the employee beyond seven
7 years from the commencement of service under it. ~~Any~~ A contract,
8 otherwise valid, to perform or render service of a special, unique,
9 unusual, extraordinary, or intellectual character, which gives it
10 peculiar value and the loss of which cannot be reasonably or

1 adequately compensated in damages in an action at law, may
2 nevertheless be enforced against the person contracting to render
3 the service, for a term not to exceed seven years from the
4 commencement of service under it. If the employee voluntarily
5 continues to serve under it beyond that time, the contract may be
6 referred to as affording a presumptive measure of the
7 compensation.

8 (b) Notwithstanding subdivision (a):

9 (1) Any employee who is a party to a contract to render personal
10 service in the production of phonorecords in which sounds are first
11 fixed, as defined in Section 101 of Title 17 of the United States
12 Code, may not invoke the provisions of subdivision (a) without
13 first giving written notice to the employer in accordance with
14 Section 1020 of the Code of Civil Procedure, specifying that the
15 employee from and after a future date certain specified in the notice
16 will no longer render service under the contract by reason of
17 subdivision (a).

18 (2) Any party to a contract described in paragraph (1) shall have
19 the right to recover damages for a breach of the contract occurring
20 during its term in an action commenced during or after its term,
21 but within the applicable period prescribed by law.

22 (3) If a party to a contract described in paragraph (1) is, or could
23 contractually be, required to render personal service in the
24 production of a specified quantity of the phonorecords and fails
25 to render all of the required service prior to the date specified in
26 the notice provided in paragraph (1), the party damaged by the
27 failure shall have the right to recover damages for each
28 phonorecord as to which that party has failed to render service in
29 an action that, notwithstanding paragraph (2), shall be commenced
30 within 45 days after the date specified in the notice.

31 (c) *Notwithstanding subdivision (a), a contract, otherwise valid,*
32 *to render personal services may be enforced against a player on*
33 *a professional sports team in the state for the term of the contract.*