326.523 LICENSE PROVISIONS; DISTRIBUTION; CANCELLATION.

No distributor shall hereafter license feature motion picture films to an exhibitor to be exhibited, shown or performed in this state unless the license provides:

(1) that all the feature motion picture films, which such distributor will license during the exhibition season, or the unexpired portion thereof, shall be included: the term "all the feature motion picture films" applies to each producer for whom the distributor is acting; and

(2) that the exhibitor shall have the right to cancel a minimum of 20 percent of the total number of feature motion pictures included in such license where the exhibitor deems the same injurious and damaging to business or offensive on moral, religious, or racial grounds.

The cancellation shall be made proportionately among the several price brackets, if there be such price brackets in the license agreement. Any number of cancellations to which an exhibitor is entitled, may be made the lowest price bracket at the exhibitor's option.

The right to cancellation shall not be effective, unless the exhibitor exercises such right by giving notice thereof, to the distributor, by certified mail, within 15 days after being notified of the availability of a feature motion picture. In determining the number of feature motion pictures that may be canceled, fractions of one-half or more shall be counted as one and fractions of less than one-half shall not be counted.

History: *1941 c 460 s 2; 1978 c 674 s 60; 1986 c 444*