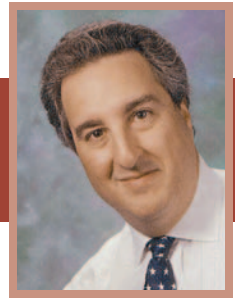


# Music Licensing

By Mark Sonder, MM, CSEP



## Important Things Planners Need to Know

**T**he first time meeting and event planners attempt to figure out the ABCs of music licensing can be a daunting exercise. To make an already challenging job a little easier, I've prepared a simple primer on music licensing fees for your edification.

### The Legal, Ethical Question

If you are utilizing music, whether it's live or played by a DJ, you as the organizer/presenter of a meeting, convention, special event, etc. are responsible for licensing all music played at those events. I find that although this law has been "on the books" for more than two decades, many hospitality schools are generally not educating their students on this issue, nor are the professional associations in the industry raising awareness of this important topic. I find this strange, as the penalties are so high, approximately \$500,000 per infringement. An infringement equals one tune! Most tunes are approximately four minutes. Most events range from a one-hour reception to a four-hour gala event. How many four-minute tunes can be played/performed during that time, and what will it cost you? Suffice to say, a lot!

Some planners may ask, "How will they find my musical meeting?" Answer: They are a matter of public record. The local convention and visitors bureau published news of the event along with the approximate number of registrants and host hotels. It's on the reader board at the property. Even with the doors shut, it is easy to listen in the hallways without disturbing the meeting, to hear if music is being performed/played.

So why not conduct yourself in a legal and ethical manner by licensing your music? This is a

legitimate line item on one's expense report and is tax deductible for your client.

### What's Involved

Two different licensing agencies, ASCAP (American Society of Composers Authors and Publishers) and BMI (Broadcast Music Inc.) need to be paid, not the band/DJ or favorite music purveyor. ASCAP and BMI each offer two different licenses.

BMI's licenses for the hospitality industry are:

- Music License for Meetings, Conventions, Trade Shows and Expositions.
- Music License for Business Multiple Use.

ASCAP's licenses for the hospitality industry are:

- Music License for Conventions, Expositions, Industrial Shows, Meetings and Trade Shows.
- Music License for Music-In-Business Blanket License.

To clarify, business multiple use covers the following six items:

1. Location owned by the company.
2. Location where company conducts managerial and/or administrative business.
3. An industrial facility (warehouse, manufacturing plant, etc.).
4. Offsite location that would be "attended solely by the location's employees, their families and social acquaintances, and intra-corporate invitees."
5. For its full or part-time employees.
6. For its wholly-owned subsidiaries.

### Calculating the Costs

#### ASCAP formula examples:

Daily live music fee 250 guests or less = \$45;  
251-500 guests = \$85; 500-750 guests = \$130;

751-1000 guests = \$175 and so on. For mechanical music the rate is \$0.078 per attendee, per event. For their Music-In-Business rate it is \$0.47 for the first 10,000 employees and so on.

As an example, using the two options above for a company with 1,000 and 500 attendees, respectively, the numbers look like this: \$470 annually for Music-In-Business and \$175 for live music and \$78 for DJ/mechanical music for EACH convention/exposition, etc.

For 500 employees the costs would be: \$235 for Music-In-Business and \$85 for use of a live performance and \$39 for DJ/mechanical music for EACH convention/exposition.

#### **BMI formula examples:**

For live or mechanical for meetings/conventions, etc. the rate is \$0.06 per attendee. For their Multiple Use it is a tier rate schedule. Tiers are successive, not cumulative. For the first 250 employees = \$.75, 251-500 employees = \$.60, for 501-10,000 employees = \$.45 and so on.

For example, if your company has 1,000 employees, the annual rate for Multiple Use is \$565. In comparison, for EACH meeting/convention, etc. that 1000 people would be present the cost would be \$60. If your company has 500 employees, the fee is \$340 for Multiple Use and \$30 for EACH meeting/convention, etc.

In addition, there are various annual minimum fees for each license category, not to mention variables having to do with the differences in the number of people. I recommend you and your legal department review the actual licenses as well before paying. To view the actual licenses, go to <http://marksonderproductions.com/headline/MusicLicenses.html>.

Furthermore, if you want to synchronize music

#### **Additional Resources:**

- ASCAP 800-910-7346 [www.ascap.com](http://www.ascap.com)
- BMI 877-264-2137 [www.bmi.com](http://www.bmi.com)
- Link to music licenses: <http://marksonderproductions.com/headline/MusicLicenses.html>

with images on video or film, etc., such as a sales training tape containing video and music you will be required to acquire a "sync" license. You are required to get permission from (*read: pay what they tell you*) the music publisher and the recording company, and pay the fees for the applicable license to ASCAP and BMI.

#### **Who is Exempt**

Are you exempt? Yes, if you are not involved in the planning of the types of events mentioned above. For example, if you are planning a gathering of friends (weddings, Bar/Bas Mitzvahs, birthday parties, anniversaries, etc.) there is no license agreement for you, hence, you/your client will not have any liability.

The laws governing music licenses are protected by the US Copyright Law. It doesn't have to be right, fair or equitable and it can be a feeling of "double-taxation." Bottom line: It's the law and as professional planners it is our responsibility to protect our companies, our clients and their brand from wrong doing.

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