

MEMORANDUM

TO: AHCA/NCAL Members
FROM: Lilly Hummel, NCAL Senior Director of Policy
SUBJECT: 2016 Agreement with Motion Picture Licensing Corporation
DATE: August 24, 2016

Motion picture showings within senior living and health care communities have always required a public performance license in accordance with the U.S. Copyright Act. Over time, public awareness of intellectual property rights has grown along with enforcement of federal copyright law. As a result, the American Health Care Association and the National Council for Assisted Living (AHCA/NCAL), and all other leading industry associations including, LeadingAge, National Association of Activity Professional (NAAP), American Senior Housing Association (ASHA), and Argentum have entered into a new agreement with Motion Picture Licensing Corporation (MPLC).

The 2016 Agreement better educates our members on the need for copyright compliance when motion pictures and other audiovisual programs are shown in senior living and health care communities, and secures the greatest possible discount for member facilities on the Umbrella License®.

Best of all, AHCA/NCAL is pleased to announce that all associations have collectively negotiated a special introductory discount of almost 40% for qualifying member facilities that secure an Umbrella License before December 31, 2016.

Adopted in 1976, the U.S. Copyright Act, Title 17 of the United States Code, establishes that the public performance of copyrighted motion pictures and other audiovisual programs that are legally available and intended for personal, private use only, such as DVDs and other digital formats, whether streamed or downloaded (hereinafter referred to as "Videos"), is illegal without a public performance license.

This legal requirement applies equally to for and non-profit senior living and health care communities, even if no admission fee is charged. It does not matter who plans or conducts the exhibition. Residents playing movies for other residents in communal areas also fall under copyright control and can expose the entire community to substantial fines.

The 2016 Agreement establishes guidelines for the licensing of motion picture exhibitions in all senior living and health care communities regardless of the level of care provided or the license status of the community.

The Agreement states that:

- All communities, regardless of their type or license status, must obtain licensure for exhibitions of Videos transmitted over a closed circuit television system or in-house channel.
- All communities, regardless of their type or license status, must obtain licensure for exhibitions of Videos in common areas such as a theater, lounge, or community room.
- Assisted living, nursing and rehabilitation units receive a reduced rate on the license. Minimum fees are waived for campuses that are strictly nursing, assisted living, or rehabilitation.
- AHCA/NCAL has secured a special introductory rate of only \$2 per unit for all assisted living, nursing, and rehabilitation units licensed before December 31, 2016. This discount reflects a savings of almost 40% off standard license fees and cannot be combined with any other discounts.
- Members of AHCA/NCAL or the other associations above receive a 10% discount on standard Umbrella License fees.

The complete terms of the 2016 Agreement are available online for our members. AHCA/NCAL encourages qualifying members to contact MPLC and secure a deeply discounted license of almost 40% off ahead of the December 31, 2016 deadline.

Since 1986, MPLC has granted the Umbrella License for the public performance of Videos. Once licensed, an unlimited number of motion pictures and other audiovisual programs can be shown in a variety of formats. Content may be obtained from any legitimate source whether purchased, borrowed, or rented via DVD, download or streaming service.

The Umbrella License provides the most comprehensive programming available from over 1,000 motion picture studios and producers ranging from major Hollywood studios to educational, independent, specialty, foreign language, documentary, and television producers. The license covers thousands of titles currently available in any legal format originally intended for personal, private use only.

If you operate assisted living, nursing or rehabilitation units, AHCA/NCAL strongly encourages you to secure an Umbrella License prior to December 31, 2016 to ensure the lowest possible license fee. Please visit the AHCA/NCAL website for the application brochure. Contact MPLC directly at (800) 462-8855 or online at mplc.org for assistance with pricing and any questions about the 2016 Agreement and the Umbrella License.

Showing movies remains an affordable amenity that residents have come to expect. Movies are an easy way to entertain and engage residents of all care levels. Closed circuit television can provide entertainment for residents unable to attend a movie screening in a common area, or for those who prefer the comfort of their own room. Common areas foster a sense of community through fun social events like Sunday matinees or classic movie screenings. Special family film events create the perfect environment for children and grandchildren to visit residents and participate in group activities with their loved ones. The possibilities are endless with an Umbrella License in place.

Please feel free to contact AHCA/NCAL at (202) 842-4444 with any questions about motion picture licensing requirements within our profession.

Effective October 1st, 2016

Terms for the Licensing of Motion Pictures in Senior Communities and Health Care Facilities

1. **MPLC:** The Motion Picture Licensing Corporation (“MPLC”) is an independent copyright licensing agency that provides an annual license, called an Umbrella License*. The public performance of copyrighted motion pictures and other audiovisual programs that are legally available for personal, private use, such as DVDs or other digital formats, whether streamed or downloaded (hereinafter referred to as “Videos”) or via closed circuit transmission requires a public performance license under federal law. The MPLC provides the required license on behalf of over 1,000 Hollywood, independent, faith-based, television, special interest, and international motion picture studios and producers to ensure a comprehensive copyright compliance solution.
2. **Associations:** LeadingAge, American Health Care Association/National Center for Assisted Living (AHCA/NCAL), National Association of Activity Professionals (NAAP), American Seniors Housing Association (ASHA), and Argentum each have entered into an Agreement with the MPLC to offer discounted Umbrella License coverage to their membership.
3. **Closed Circuit Transmission Pricing:** Any senior community or health care facility, regardless of its type or license status, which has a closed circuit television system (such as an in-house channel) playing Videos shall obtain an Umbrella License at the annual rate of \$13 per connection. Any other non-closed circuit performances (i.e. via Videos) shall be included at no additional cost.
4. **Video “Common Area” Pricing (excluding Closed Circuit Transmission performances in Term 3):** Any senior community or health care facility, regardless of its type or license status, which conducts Video performances in common areas shall obtain an Umbrella License at the annual rates below. (For clarity, a license is required for Videos shown in common areas, including Videos rented, borrowed, or purchased by residents being shown to other residents.)
 - 4.1 Facilities that have independent living units, apartments, or other similarly defined living quarters, whether freestanding or located in a nursing facility, rehabilitation facility, assisted living facility, continuing care retirement community, or any other type of senior living facility, regardless of how each state defines the facility (“ILU”) shall be subject to the following annual rates, based on the licensed ILU capacity for each facility:
 - A. \$6.50 per ILU for the first 325 ILUs.
 - B. \$3.00 per ILU from 326 to 500 ILUs.
 - C. \$1.00 per ILU in excess of 500 ILUs.
 - D. \$335 is the minimum annual license fee for each facility.
 - 4.2 Facilities defined as low income senior housing that have a US Department of Housing and Urban Development (“HUD”) contract shall pay a reduced license fee. The facility shall provide the MPLC with (i) the project number and (ii) the number of HUD units. The facility shall be subject to the following annual rates, based on the licensed HUD capacity for each facility:
 - A. \$3.25 per HUD unit for the first 500 units.
 - B. \$1.00 per HUD unit in excess of 500 units.
 - C. \$335 is the minimum annual license fee for each facility.

4.3 Facilities that are freestanding nursing, rehabilitation or assisted living; or have such sleeping units/sleeping rooms within a continuing care retirement community, or any other type of senior living or health care facility (excluding ILU and HUD units, see 4.1 and 4.2 for pricing) shall be subject to the following annual rates based on licensed capacity for each facility:

- A. \$3.25 per sleeping unit/sleeping room for the first 500 sleeping units/sleeping rooms.
- B. \$1.00 per sleeping unit/sleeping room in excess of 500 sleeping units/sleeping rooms.
- C. There is no minimum annual license fee for freestanding nursing, rehabilitation, or assisted living facilities. For clarity, such defined sleeping units/sleeping rooms on shared campuses within a continuing care retirement community, or any other type of senior living or health care facility shall pay a minimum fee, based upon their classification.

5. Discounts: Members of the associations shall receive a 10% discount on all of the above stated annual rates. Additional discounts may be available, based on the number of licensed facilities.

There is a limited time offer until December 31, 2016 only for member facilities as defined in Term 4.3. For clarity, members shall be eligible to receive an annual discount of approximately 40% off the \$3.25 rate to only \$2.00 per sleeping unit/sleeping room for any nursing, rehabilitation or assisted living facility; or sleeping units/sleeping rooms within a continuing care retirement community, or within any other type of senior living or health care facility.

Members of the associations that are current MPLC licensees, shall receive the limited time offer to add Term 4.3 defined facilities upon renewal of their agreement.

Given the long-standing partnership between the parties, the discount structure provides the lowest possible cost to senior communities and health care facilities.

6. Renewal Rate: The base license rates above shall not increase, with the exception of a CPI increase (CPI-W third quarter to third quarter average), for a five year term from the start of this agreement.
7. Adult Day Service Centers: If any association member operates an adult day service center either freestanding or within its facility, there is a separate annual license fee of \$205 per center.
8. Questions: Please contact the MPLC directly at www.mplc.org or 800-462-8855 for more information on how to obtain an Umbrella License. You may also contact LeadingAge, AHCA/NCAL, NAAP, ASHA or Argentum for more information.

[Pay My Invoice](#)

[Manage Account](#)

Music Users

Apply For Your **BMI** Music License

Get started by entering your business type below:

Search for Bar, Restaurant, Retail, Fitness, Website, etc...

Examples: Bars & Restaurants, Local Government Entities (LGE), Fitness Clubs, Residential Communities, TV, Radio, Website, Mobile

[Why License?](#)

[Licensing FAQ](#)

[Contact Us](#)

BMI Offers a Variety of **Music Licenses for Business**

Why do I need a license?

You can't play music publicly without one. Copyright laws require music users to get permission from songwriters and composers who can charge a fee before their music is played publicly, which then allows them to continue to create music. See **our video**.

How do I license?

Most music users apply for a license online. Search for your business above. If online licensing is not available for your business, you can download a license or call (888) 689-5264.


 Login

 Contact

 Websites & Mobile Apps

 Repertoire Search

 Performing Rights

 Types of Copyright

More Tools:

Association Discounts

Learn about the **Value** of a **BMI** License

The Value of a BMI Music Performance License

Licensing FAQ

Our Music Licenses offer copyright clearance to use all of the works in the BMI repertoire in a variety of ways. This service saves music users the immense time and expense of contacting each songwriter or composer for permission to play their music publicly.

Got it thanks!

Q: What is BMI?

BMI is what is known as a music performing right organization. A performing right organization represents songwriters, composers and music publishers. Often called PROs, these companies collect license fees from businesses that use music, including television and radio stations;

broadcast and cable networks; new media, including the Internet and mobile technologies; satellite audio services like XM and Sirius; nightclubs, hotels, bars, restaurants and other venues; digital jukeboxes; and live concerts. These license fees are then distributed as royalties to the songwriters, composers & music publishers the PROs represent. BMI has been in operation for more than 75 years, is recognized in U.S. copyright law as a licensor of music, and currently represents more than 1 million copyright owners and their 15 million musical works.

Q: How does a business obtain a BMI License?

BMI offers the ability to license most businesses and organizations **online**. Simply choose your business type and click "Apply for a License", then enter your Username & Password, which are provided for you on your correspondence from BMI or by calling a BMI representative. Once licensed, you can also pay your fee and manage your account online. If your business type does not yet have BMI online licensing capability, you can download a license from the site and return it to BMI at 10 Music Square East, Nashville, TN 37203 or call a BMI representative at (888) 689-5264 to license.

Q: What does a business really get with a BMI Music License?

A BMI License provides you with the legal authorization you need to use a very powerful product – music. This product is the music creator's property, so a licensing agreement protects your business or organization from the penalties involved in copyright infringement. Your payment of music licensing fees ensures the continued creation of music – for you and your organization.

Q: What happens to the fees that businesses pay and how much profit does BMI make?

BMI operates on a non-profit-making basis and does not make any profit on licensing fees. All fees, less BMI's operating expenses, are paid to our affiliated songwriters, composers, and music publishers in the form of royalties. Currently, nearly 90 cents of every dollar of your licensing fee goes to our affiliated copyright owners.

Q: How does a business know if they're playing BMI Music?

Approximately one out of every two songs played on radio is BMI-licensed music. In addition to the music of our U.S. copyright owners, the BMI repertoire also includes the music of songwriters and composers in more than 90 other countries. BMI writers have won numerous GRAMMYS, Country Music Association, and American Music Awards. They also represent the largest percentage of inductees into the Rock & Roll Hall of Fame, account for roughly one-half of all of the winners of the coveted Pulitzer Prize in the field of classical music, and have received the most Rhythm & Blues Foundation Pioneer Awards and Downbeat Jazz Poll Awards.

For a list of BMI's award-winning song titles and songwriters please **visit our online repertoire search** or call the BMI repertoire information line at 1-800-800-9313 where you can request information on specific titles.

Q: Aren't TV, cable, and radio stations already licensed with BMI?

They are, however, those agreements do not authorize the performance of such TV, cable, and radio to the public by businesses and other organizations.

Public performances of radio and TV are specifically addressed in Title 17, Section 110(5)(B) of the U.S. copyright law which states that any food service or drinking establishment that is 3750 square feet or larger, or any other establishment, other than a food service or drinking establishment, that is 2000 square feet or larger, must secure public performance rights for TVs or radios if any of the following conditions apply:

- For TV, if the business is using:
 1. more than four TVs; or
 2. more than one TV in any one room; or
 3. if any of the TVs used has a diagonal screen size greater than 55 inches; or
 4. if any audio portion of the audiovisual performance is communicated by means of more than six loudspeakers, or four loudspeakers in any one room or adjoining outdoor space; or
 5. if there is any cover charge.
- For radio, if the business is using:
 1. more than six loudspeakers; or
 2. more than four loudspeakers in any one room or adjoining outdoor space; or
 3. if there is any cover charge; or
 4. music on hold.

Q: If musicians are playing live music, aren't they responsible for public performance fees?

Since it's the business or organization that's benefiting from the performance of music, management is responsible for ensuring that the organization is properly licensed. This responsibility cannot be passed on to anyone else even if the musicians hired are independent contractors.

Q: Does a business need a BMI License if they only play original music?

The term "original music" generally means musical works written by the performing musicians. That doesn't mean, however, that the musicians are not affiliated with BMI. This is because licensing organizations like BMI are the vehicles through which songwriters and composers are compensated for the public performances of their music. In addition, one of the purposes of BMI is to help foster the development of up-and-coming songwriters, many of whom perform in public areas and establishments. Many times, these performers are asked to play a song known by the general public that was written by someone else to add to the entertainment. This performance also requires permission.

Q: If a business has a license with another performing right organization, do they still need to license with BMI?

A music license with another performing right organization allows you to perform only copyrighted music represented by that organization. It does not cover public performances of the award-winning music licensed by BMI. This is because each songwriter or composer may belong to only one performing right organization at any given time, so each PRO licenses a unique repertoire of music.

Q: What is a public performance of music and what is the "Performing Right"?

A "public performance" of music is defined in the U.S. copyright law to include any music played outside a normal circle of friends and family. Songwriters, composers, and music publishers have the exclusive right to play their music publicly and to authorize others to do so under the copyright law. This is known as the "Performing Right". This right was designed to enable and encourage music creators to continue to create music.

When you see the words "All Rights Reserved" on a movie that you've rented or purchased, you know that playing that movie before a public audience is prohibited. The same restrictions apply to music that is purchased, broadcast, or live musicians that are hired to play in a public setting. Every business or organization must receive permission from the copyright owners of the music they are playing before playing it publicly.

Q: Our business bought our own iPod, CDs, & gaming software. Isn't this our property to play anywhere?

Although most people buy digital audio files, CDs, or games like Guitar Hero thinking they are now their property, there is a distinction in the law between owning a copy of the music and owning the actual songs that are played. When you buy an audio file, software, or CD, even those specifically marketed for business purposes, the purchase price covers only your private listening use, regardless of how they are labeled. Once you decide to play any copyrighted music publicly, you need permission from the copyright owners.

Q: What service does BMI provide to businesses?

Our Music Licenses offer copyright clearance to use all of the works in the BMI repertoire in a variety of ways. This service saves music users the immense time and expense of contacting each songwriter or composer for permission to play their music publicly.

Still have questions? Contact Us

Preguntas Generales Más Frecuentes

LICENSING FAQS

Q: I have a license. What is my Account number and Bill To number?

A: Account and Bill To numbers are provided on invoices, administrative and collections related mailings. If unable to locate, submit a request to the Customer Service team by completing all 3 steps of the online [Licensing Support form](#). To help identify your account, please provide your business entity name, location name, and or location address.

Q: I have a license. How can I get a copy of my invoice?

A: With your Account and Bill To numbers provided on invoices, administrative and collections related mailings, you can login and submit your request to Customer Service. If unable to locate, submit a request to the Customer Service team by completing all 3 steps of the online [Licensing Support form](#). To help identify your account, please provide your business entity name, location name, and or location address.

Q: What is SESAC?

A: SESAC was founded in 1930 originally as the Society of European Stage Authors and Composers. Since that time SESAC has significantly expanded the number of songwriters and publishers represented, and its repertory now includes one million songs and counting.

SESAC is the second oldest of the three Performing Rights Organizations (PRO) in the United States all of which were created to protect the rights of creators as granted by [The Copyright Law of the United States](#). This law defines a PRO as "an association, corporation, or other entity that licenses the public performance of non-dramatic musical works on behalf of copyright owners, or in our case, songwriters and film and tv composers.

Q: What services does SESAC provide?

A: SESAC represents songwriter's and music publisher's copyrighted works and their right under the Copyright Law to publicly perform those works inside businesses. SESAC represents the copyright owners and grants licenses to those who wish to publicly perform music. Essentially anytime music is performed, played, broadcasted or otherwise communicated to the public a license is required.

SESAC offers a blanket license agreement that is recognized as the most convenient and cost-effective method to obtain the required authorization to publicly perform all of the copyrighted music in the SESAC repertory.

Q: Why does my business need a SESAC Performance License?

A: On behalf of many thousands of songwriters and music publishers, SESAC offers blanket license agreements that authorize the performance of all the compositions in the SESAC repertory, which is at one million songs and counting.

If you are using someone's property (song) there is a moral and legal obligation to obtain the owner's permission. Under the US Copyright law, anyone who publicly performs copyrighted music is required to obtain advanced permission from the copyright owner or their representative. If you publicly perform any copyrighted song without proper authorization you are breaking the law and can be held liable for damages

from a minimum of \$750 up to a maximum of \$150,000 per song played.

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The Better Business Bureau provides additional information concerning the Copyright Law and a music user's responsibilities.

Q: If I have licenses with ASCAP and/or BMI, why do I need a license with SESAC?

A: SESAC, ASCAP, and BMI are three separate and distinct Performing Rights Organizations (PRO). Each organization represents different copyright holders (songwriters, composers, and publishers) and licenses only the copyrighted works of its own respective copyright holders. Licenses with ASCAP and BMI DO NOT grant you authorization to use the copyrighted music of SESAC represented songwriters, composers or publishers.

Since a license with ASCAP and/or BMI does not grant authorization to publicly perform songs in the SESAC repertory, most businesses obtain licenses with all three in order to have proper copyright clearance for virtually all of the copyrighted music in the world.

Q: What kinds of music does SESAC represent?

A: No matter what music you play in your business, we represent it. SESAC currently represents a significant amount of music in every musical genre. SESAC has been serving music users throughout the United States for over 80 years with a diversified repertory including Top 40, Pop, Hip-Hop, R&B, Rock, Country, Spanish (Pop, Regional Mexican, Tropical, Rhythmic), Blues, Jazz, Big Band, Folk, Contemporary Christian, Gospel and many others, as well as music in film, TV, online, streaming services and advertising.

SESAC represented songs have been awarded Grammy, Clio, Dove, MTV, VH1, CMA, Emmy, and ACM awards, as well as scores of Gold and Platinum records. Artists and performers from all genres of music have performed SESAC represented works.

Q: If others perform music in my place of business, can I, the owner/operator, still be held liable for copyright infringement?

A: Yes. The Copyright Law of the United States, and subsequent case law, clearly states that the owner or operator of an establishment where music is publicly performed is required to obtain advanced authorization for the performance of copyrighted music on the premises. Paying the band does not cover you for that, your business has to have a license to play music publicly.


Q: Who is responsible for music licenses for rented/leased areas such as meeting/banquet rooms, reception halls, or ballrooms?

A: The Copyright Law of the United States and subsequent case law assigns the responsibility for obtaining authorization for copyrighted music played in rented or leased areas to the owner/operator of the establishment.

Q: Our background music service provider says they pay for all copyright licenses. Why would I need a SESAC license?

A: Most background music service providers are licensed with SESAC. However, their SESAC license only extends to the music they supply to establishments with no admission, membership or similar charge.

Any live or other mechanically played music i.e.; radio, records, tapes, CDs, DVDs, MP3s, large screen or multiple televisions, internet streaming or personal computer needs to be licensed directly under a SESAC

Performance License. To determine if your background music service provider is properly licensed with SESAC,  [se contact us.](#) [Log in](#)

Q: If I do not know if the music being played in my establishment is under copyright, can I still be held responsible for copyright infringement?

A: Yes. As the presenter/promoter/organizer/owner/operator of a business, it is your responsibility to obtain all required authorization for the public performance of copyrighted works performed on your premises.

Q: What is a blanket license?

A: A SESAC blanket license authorizes you to publicly perform any and all of the songs in the vast SESAC repertory as often as you like, without having to worry about obtaining permission for each individual song performed.

The blanket license has long been recognized as the most efficient and convenient way of clearing copyrights in the United States. It would be time consuming and expensive for you to locate, contact and negotiate with all copyright holders prior to the performance of each song you plan to play.

The U.S. Supreme Court summarized the virtues of the blanket license in *CBS v. Broadcast Music, Inc.*, 441 U.S. 1 (1979) as follows:

"... the blanket license developed ... out of the practical situation in the marketplace: thousands of users, thousands of copyright owners and millions of compositions. Most users want unplanned, rapid and indemnified access to any and all of the repertory of compositions and the owners want a reliable method of collecting for the use of their copyrights...

"A middleman with a blanket license was an obvious necessity if the thousands of individual negotiations, a virtual impossibility were to be avoided. Also, ...(individual licenses would pose) a difficult and expensive reporting problem for the user and policing task for the copyright owner. Historically, the market for public performance rights organized itself largely around the single-fee blanket license, which gave unlimited access to the repertory and reliable protection against infringement." *Id.* at 20-22.

Q: Do I have any other option to obtain the required authorization to perform copyrighted music?

A: Yes. While SESAC offers the convenience and low cost of a blanket license authorizing the performance of all of the songs in the SESAC repertory, you have the option of contacting each copyright owner of each song you wish to play. As an alternative to a blanket license, you can negotiate a separate license agreement directly with each copyright owner of each song you will play.

Q: Do I have to pay for music licenses when I have already paid for the DJ, band or purchased the records, discs or tapes to be played in my establishment?

A: US Copyright law states that the owner or operator of the establishment where the music is being played is responsible for obtaining the required authorization. The compensation you provide to a performer such as a DJ or band does not relieve you of this obligation.

When you purchase a record, tape, compact disc, DVD or similar product you are granted the authorization for a non-public performance, such as in your home or car. There is no public performance right attached to the sale of these products and if you decide to play this music in your establishment you are required to obtain authorization from the copyright owner or their representative.

Q: What types of businesses are licensed with SESAC?

A: SESAC licenses all types of establishments and broadcast entities that use music in their business operations. Through licensing, SESAC grants copyright clearance authorization to the establishments and collects music royalties on behalf of SESAC affiliated songwriters, composers, publishers and copyright holders.

In addition to Television, Radio, Satellite and Cable Operators, SESAC Licensees include restaurants, nightclubs, taverns, hotels, motels, resorts, health clubs, skating rinks, web sites, amusement parks, water parks, stadiums, auditoriums, arenas, convention centers, airlines, professional sport teams, country clubs, dance schools, colleges and universities, retail stores, shopping malls, museums, planetariums, theaters, concert promoters, cruise ships, festivals, and circuses. [Click here](#) for available licenses.

Q: How are SESAC license fees set for different businesses?

A: SESAC recognizes that music usage varies from industry to industry. Therefore, we have developed many different industry specific license agreements. The license fees are determined by relevant industry criteria that a licensing representative can walk you through.

Q: What happens if I ignore my responsibility to obtain permission to perform copyrighted music?

A: Those who perform copyrighted music represented by SESAC without the required permission may be determined by the courts to be willful infringers. This status subjects the unlicensed music user to damages ranging up to \$150,000 for each song performed without proper authorization.

It is much more practical to simply secure a low-cost SESAC blanket license and be sure that you are covered for any and all SESAC represented copyrighted music that is performed on your premises.

Q: I heard that the copyright law was changed and now certain performances of music do not require a license. Can you provide me with specific information?

A: Yes. Certain changes to the law were made that affect only certain radio and television performances.

The "Sonny Bono Copyright Term Extension Act", which is also referred to as the "Fairness In Music Licensing Act of 1998", is the name of the bill that affects licensing requirements for certain radio and television performances. President Clinton signed the bill on October 24, 1998, and it became effective 90 days later on January 27, 1999.

A limited use of radio and television re-broadcasts (if specific criteria are met), and product demonstration in stores selling equipment used in the performance (if specific criteria are met) can be exempt from music licensing fees. The bill does not affect live music uses or other mechanical music uses such as records, tapes, compact discs, DVD, jukeboxes, karaoke and VCR, Internet streaming and personal computer.

If you meet the following criteria, you are not required to pay a license fee for specific performances of copyrighted music via radio and/or televisions:

If You Are A Food Service or Drinking Establishment

There is no direct charge to see or hear the transmission (i.e. admission, membership fee, cover, minimum, entertainment or similar charge) in your establishment

And

A) Your establishment has less than 3,750 gross square feet

Or



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B) Your establishment has 3,750 gross square feet of space or more

And

Radio Use: you have no more than a total of 6 speakers in the establishment with no more than 4 speakers in any one room.

Television Use: you have no more than a total of 4 televisions in the establishment with no more than one television in any room. No television can have a diagonal screen size greater than 55 inches and there can be no more than a total of 6 speakers in the establishment with no more than 4 speakers in any one room delivering any audio portion of the television broadcast.

If You Are An: Establishment, Other Than Food Service or Drinking

There is no direct charge to see or hear the transmission (i.e. admission, membership fee, cover, minimum, entertainment or similar charge) in your establishment

And

A). Your establishment has less than 2,000 gross square feet

Or

B). Your establishment has 2,000 gross square feet of space or more

And

Radio Use: you have no more than a total of 6 speakers in the establishment with no more than 4 speakers in any one room.

Television Use: you have no more than a total of 4 televisions in the establishment with no more than one television in any room. No television can have a diagonal screen size greater than 55 inches and there can be no more than a total of 6 speakers in the establishment with no more than 4 speakers in any one room delivering the audio portion of the television broadcast.

A food service or drinking establishment is defined as "a restaurant, inn, bar, tavern, or any other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink, in which the majority of the gross square feet of space that is nonresidential is used for that purpose, and in which nondramatic musical works are performed publicly".

An establishment is defined as "a store, shop, or any similar place of business open to the general public for the primary purpose of selling goods or services in which the majority of the gross square feet of space that is nonresidential is used for that purpose, and in which nondramatic musical works are performed publicly".

As defined in the bill, gross square feet is "the entire interior space of that establishment, and any adjoining outdoor space used to serve patrons, whether on a seasonal basis or otherwise".

Q: My current entertainment policy includes the use of television programming supplied by a satellite or cable provider. Why do I need a SESAC Music Performance License?

A: The license agreements SESAC has with your provider and the stations carried over their systems do not extend to authorize the use of those programs. Copyrighted compositions represented by SESAC are regularly featured in sports, news, movies and entertainment programs, as well as in national or regional advertisements on virtually every television, cable and satellite station nationwide.

The SESAC license agreement for the audio-only background music product featured on many satellite and cable systems does provide limited authorization for that single source of music, however, that limited authorization does not extend to any of the other programming supplied nor does it extend to authorize any other performance of music not supplied by the satellite or cable system, such as tapes, compact discs or live music.

Licenses you may have with other performing rights organizations, background music suppliers, cable, or satellite providers in no way provide you with the authorization needed to perform SESAC represented copyrights via television transmissions.

Q: As the owner or operator of a broadcast entity, why do I need to enter into a license agreement with SESAC?

A: A broadcast or other transmission of content containing copyrighted musical works to the public constitutes a public performance of the applicable musical works. Subject to some limited exceptions, one must obtain permission from the copyright holder or its agent in order to legally publicly perform a musical work. As agent for many copyright holders, SESAC grants licenses allowing broadcasters to legally public perform SESAC represented works by means of these broadcasts or other transmissions

Q: Does SESAC represent music used in movies, television programs and related commercials?

A: The SESAC repertory includes a great deal of music specifically created for audiovisual productions such as films, television programs and commercial advertisements. In addition, the SESAC repertory contains a large amount of other commercial music that is often licensed by production companies for use in audiovisual content.

Q: How are SESAC license fees for broadcasters determined?

A: SESAC license fees are calculated differently for different broadcast industry segments. Generally, license fees are calculated taking into account the economics associated with the particular music use, its intensity level and/or frequency.

Q: What kind of websites, apps or digital services does the SESAC Digital Performance License cover?

A: The SESAC Internet Performance Licenses grant authorization to publicly perform SESAC represented music on websites and other internet-connected digital platforms (whether on a live or archived basis and whether pre-programmed or on demand). Common examples of music use on digital platforms include streaming full-length sound records, previews of sound recordings, music videos, television programs, movies or user generated content containing music.

Q: How are the license fees for digital services determined?

A: For digital services whose primary purpose of operation is to generate revenue, license fees are determined using amount of revenue generated in connection with the service. For other digital properties, license fees are generally calculated using the number of aggregate tuning hours generated in connection with the platform. Schedule "A" to the SESAC Internet Performance Licenses describe in further detail how fees are determined and paid.

Q: What music does SESAC represent on my digital content business?

Log in

A: SESAC currently represents a significant amount of music in every musical genre. SESAC has been serving music users throughout the U.S. for over 80 years with a diversified repertory including Top 40, Pop, Hip-Hop, R&B, Rock, Country, Spanish (Pop, Regional Mexican, Tropical, Rhythmic), Blues, Jazz, Big Band, Folk, Contemporary Christian, Gospel, and many others, as well as music in movies, TV and advertising.

Q: What if I have additional questions?

A: Please [contact us](#).

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MUSIC-IN-BUSINESS BLANKET LICENSE

2020 Rate Schedule

FEES FOR PERFORMANCES AT LICENSEE'S BUSINESS LOCATIONS AND AT LICENSEE'S EVENTS

A. Fees for Calendar Year 2020.

The annual fee for calendar year 2020 shall be:

\$0.554 for each of the first ten thousand (10,000) of LICENSEE'S employees;

\$0.442 for each of LICENSEE'S employees from the ten thousand and first (10,001st) to the twenty-five thousandth (25,000th);

\$0.361 for each of LICENSEE'S employees from the twenty-five thousand and first (25,001st) to the fifty thousandth (50,000th); and

\$0.277 for each additional LICENSEE'S employees above the fifty thousandth (50,000th).

B. Fees for Subsequent Calendar Years.

Subject to the maximum and minimum fee provisions set forth below, for calendar year 2020 and each calendar year thereafter, the license fees under A. above shall be the license fees for the preceding calendar year, adjusted in accordance with any increase in the Consumer Price Index, All Urban Consumers (CPI-U) between the preceding October and the next preceding October. Any such adjustments to the per-employee license fees shall be rounded to the nearest one-half cent.

C. Maximum Fees for Subsequent Calendar Years.

The maximum annual license fee payable hereunder shall be \$35,543.00 for calendar year 2020; and for calendar year 2021 and each calendar year thereafter, the maximum annual license fee shall be the license fees for the preceding calendar year, adjusted in accordance with any increase in the Consumer Price Index, All Urban Consumers (CPI-U) between the preceding October and the next preceding October, rounded to the nearest dollar.

D. Minimum Annual Fee.

The minimum annual license fee payable hereunder shall be \$274.00 for calendar year 2020; and for calendar year 2021 and each calendar year thereafter, the minimum annual license fee shall be the license fees for the preceding calendar year, adjusted in accordance with any increase in the Consumer Price Index, All Urban Consumers (CPI-U) between the preceding October and the next preceding October, rounded to the nearest dollar.

ASCAP

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