

ASCAP and Music Licensing for Restaurants

At Essential Communications, we are big believers in [supporting the artists](#) that create the great music for our businesses. Many bar and restaurant owners are unaware of the licensing organizations they should be paying for the performance of music in their business. These public performance fees are primarily paid to the three performing rights organizations (PROs), ASCAP, BMI, & SESAC.



Music licensing is a complex subject, but as it relates to restaurant owners the important thing to understand is that PRO licenses pay the performers of the music (as opposed to copyright owner) and licenses are based on the value of the music to the business. For example, if you own a bar or restaurant that utilizes live music, your fees are higher than using recorded music.

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Bar and Restaurant owners can do their own ROI calculation based on the cost of providing the music and the associated licensing. Utilizing a business music service will typically cost \$30 - \$60 per month. Assuming you don't utilize other forms of music, your total annual cost for music and licensing to ASCAP, BMI & SESAC should be less than \$470 a year." On the other hand, if you have karaoke nights, live music, or charge a cover you may be paying thousands of dollars in annual fees.

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The consequences of not utilizing a licensed business music service or paying directly can be very high. We have worked with dozens of business owners that have received stiff fines for not paying the necessary fees. Recently, nine restaurants on Long Island were [sued by ASCAP](#) for fees up to \$150,000. It is also important to note that consumer music services like Spotify and Pandora are not licensed for business use -- businesses that want to use consumer music services like these need to pay the PROs directly and will typically see higher fees than if they utilized a licensed business service or jukebox.



For more information on the costs of music licensing for restaurants visit the [ASCAP](#), [BMI](#), and [SESAC](#) websites. The three PROs have similar licensing costs, and you can see the [BMI restaurant license](#) to get a sense for the rate structures.

While we cannot provide legal advice, we're always happy to help answer questions, so please [contact us](#) or call us at 212-239-7200 if you need more information on your options and requirements.