



MUSIC. INNOVATION. CONSUMERS.

March 13, 2024

The Honorable Jack Whitver
Majority Leader
Iowa State Senate
1007 E Grand Ave
Des Moines, IA 50319

The Honorable Pam Jochum
Democratic Leader
Iowa State Senate
1007 E Grand Ave
Des Moines, IA 50319

Dear Leader Whitver and Leader Jochum:

We are writing to introduce the MIC Coalition and share with you our support for House File 2260 as reported out of the Senate Committee on Commerce last week.

The Music. Innovation. Consumers., or “MIC,” Coalition is comprised of nineteen national trade associations representing millions of restaurants, bars, hotels, wineries, local broadcasters, digital music services, retailers, health and fitness establishments, live event venues and other businesses that license rights for the public performance of music. Businesses large and small rely on a rational, transparent, and functioning music licensing system so that we can play music for our customers while also ensuring that music rightsholders are paid appropriately for their work.

The MIC Coalition’s top priority is maintaining a functional music marketplace for the benefit of all stakeholders, from businesses that play music to music creators to consumers. This is not achievable without having an efficient, effective, and transparent music licensing system in place.

The current process of ensuring that businesses are legally able to play music, and that those who own the rights to the music or recordings being played are properly compensated, is extremely complex and difficult to navigate. Because of this onerous process, business owners often struggle to figure out how to correctly license music, leaving them vulnerable to lawsuits or financial penalties. They also face disruptive collection practices.

HF 2260 would improve the landscape for businesses that license public performance rights for musical works by requiring Performing Rights Societies, otherwise known as Performing Rights Organizations (PROs,) to follow common best practices before entering business premises to discuss contractual licensing terms. While Iowa law currently requires PROs to identify themselves as such and state the purpose of entering a business’ premises, there is no requirement that the PRO first attempt to schedule an appointment with the proprietor. This bill requires a PRO to make best efforts to schedule an appointment at the business or another location during normal business hours before the PRO may enter onto the business premises for the purpose of discussing royalty payments for the public performance of musical works.

The bill also requires the PRO upon entering the premises to clearly identify themselves and to describe their purpose for being there and prohibits misleading or threatening verbal or written communication to a proprietor in connection with a contract for the payment of royalties or an attempt to collect

royalties. It also prohibits a PRO from implying that it is an agent or representative of a public body, regulatory agency, or law enforcement agency. These are common sense reforms to prevent misleading or disruptive behavior and we encourage the Senate to schedule consideration of HF 2260 and send it to the Governor's desk.

Please feel free to contact the MIC Coalition's co-chair, Elizabeth Frazee, at elizabeth@tlstrategies.com, or Greg Barnes, at greg@tlstrategies.com, if we can be of assistance. Thank you for your commitment to public service, and we look forward to working with you in the future.

Respectfully,

The MIC Coalition
<https://mic-coalition.org/>

cc: Representative Shannon Lundgren
Senator Waylon Brown
Senator Mike Klimesh
Senator David Rowley
Senator Tony Bisignano