

GET THE FACTS!

Facts About the Event Promoters License

Chicago has a vibrant nightlife and is home to hundreds of nightclubs, bars and live music venues. The event promoter industry has become an indispensable partner in marketing music events and performers to thousands of patrons throughout the city and suburbs. As a result, event promoting has become a big business industry in Chicago, with both large and small promoters competing to bring entertainment to many different types of music venues. While this is good for business and good for Chicago's music industry, many businesses rely on event promoters to bring musical acts, along with their fans, to these establishments in order to maintain a profitable business.

That is why it is important to ensure a responsible, vibrant and safe entertainment industry in Chicago. The Event Promoters License requires paid event promoters to take common sense steps to ensure the safety of the patrons and the peace and good of the community. With both the venue owners and promoters taking responsibility, the probability that an event will be safe increases.

Only persons who are in the business of promoting events and who receive compensation for providing that service are affected by this ordinance and require a license. (See definition of "event promoter" in Section 4-157 010).

FACT 1: PERFORMERS ARE NOT REQUIRED TO OBTAIN AN EVENT PROMOTER LICENSE:

Performers, such as D.J'S, musicians playing at a bar, actresses, or poetry readers, who "have a following" or want to encourage people to attend their performance are not affected by this ordinance and are not required to obtain an event promoter license. If, however, the performer hires a paid event promoter to promote the performance for them, the paid event promoter (and not the performer) is required to obtain the event promoters license. (See the exemption for performers and their agents in Section 4-157-020(B) (4)).

FACT 2 GOOD WILL EVENTS AND "LOVERS OF THE ARTS" ARE NOT REQUIRED TO OBTAIN AN EVENT PROMOTERS LICENSE:

Persons who are not compensated for inviting or encouraging others to attend an event are not "event promoters" within the meaning of this ordinance and are not required to obtain an event promoters license.

Individuals who invite or encourage others to attend a concert or event at a local PPA venue or to sponsor fund raising events for a good cause and to invite or encourage members of the general public to attend the event does not require the Event Promoters License as long as no compensation is being paid to the person promoting the event. (See item (2) in the definition of an “event promoter” in Section 4-157-010).

FACT 3: PRIVATE EVENT PLANNERS ARE NOT REQUIRED TO OBTAIN AN EVENT PROMOTERS LICENSE:

Private events, such as invitation-only events that are not open to the general public, are not affected by this ordinance. Individuals who invite or encourage persons to attend private event, such as a wedding or a family picnic in Grant Park, are not required to obtain an event promoters license. (See the definition of an “amusement” and “event” in Section 4-157-010).

FACT 4: PUBLIC PLACE OF AMUSEMENT (PPA) LICENSEES ARE NOT REQUIRED TO OBTAIN AN EVENT PROMOTERS LICENSE:

Public Place of Amusement (PPA) licensees who (or via their employees) promote an event at their own establishment are not affected by this ordinance and are not required to obtain an event promoters license. If, however, the PPA licensee hires a paid event promoter to promote an event for the licensee at such licensee’s establishment, the paid event promoter (and not the PPA licensee) is required to obtain an event promoters license. (See the exemption for PPA licensees in Section 4-157-020(B)(5) and (6)).

FACT 5: NOT-FOR-PROFIT ORGANIZATIONS ARE NOT REQUIRED TO OBTAIN AN EVENT PROMOTERS LICENSE:

Not-for-profit organizations (such as churches, business leagues, social welfare organizations or political organizations) that undertake on their own (or via their employees) promotion of an event to raise funds on behalf of such not-for-profit corporation are not affected by this ordinance and are not required to obtain an event promoters license – so long as it (1) It has been registered with the State of Illinois for at least three years, OR (2) QUALIFIES for tax exempt status under Section 501(C)(3), 501(C)(4), 501(C)(6) or as a political organization under 527 of the United States Internal Revenue Code of 1986. If, however, the not-for-profit organization hires a paid event promoter to promote an event on behalf of the not-for-profit establishment, the paid event promoter (and not the not-for-profit organization) is required to obtain an event promoters license (See the exemption for not-for-profit organizations and their employees in Section 4-157-020((B)(9) and (10)).

FACT 6: PAID PROMOTERS AT FIXED SEATING VENUES ARE NOT REQUIRED TO OBTAIN AN EVENTS PROMOTER LICENSE:

Paid event promoters who promote events exclusively at fixed-seating venues are not affected by this ordinance and are not required to obtain an event promoters license. The reason: Fixed-seating venues, by their very nature, are more conducive to crowd control (both inside and outside the fixed-seating venue) and do not pose the type of crowd control problems that can exist in non-fixed seating venues.

FACT 7: PROMOTING EVENTS AT SMALL VENUES DOES NOT REQUIRE A LICENSE:

Paid event promoters who promote music, dancing or other amusements exclusively at small, free admission venues (venues with a capacity of 99 persons or less that do not charge any type of fee or donation or require a minimum purchase for the privilege of entering the venue) are not affected by this ordinance and are not required to obtain an event promoters license.

FACT 8: LICENSE FEES:

License fees are paid by the promoter, based on a two year term and on the capacity of the venue where the promoted event will take place:

<u>Classification</u>	<u>Amount</u>	<u>Venue Capacity</u>
Class A	\$2,000	2000 and over
Class B	\$1,500	0-2000
Class C	\$1,000	1-500
Class D	\$500	0-100

It is important to note that over 80% of entertainment venues in Chicago have an attendance capacity of less than 500. That means that most promoters will pay \$1,000 or less in license fees every two years.

FACT 9: GENERAL LIABILITY INSURANCE:

The purpose of insurance is to protect the public and to give an injured person the ability to recover costs from injuries sustained in a public place. Generally, a venue's insurance policy does not extend to cover acts committed by event promoters or performers.

Event promoters will be required to obtain a \$300,000 general liability insurance policy. The cost of this type of policy varies depending on the size and number of events. It is important to note that many venue owners *already* routinely require event promoters to obtain their own "**per event**" insurance coverage. This "per event" coverage costs about \$325 for \$500 in coverage per year.

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FACT 10: EVENT PROMOTERS ORDINANCE WILL RAISE SAFETY AWARENESS:

Licensing event promoters will contribute to the overall safety of the event and patrons attending such events. It ensures a shared responsibility and accountability for safety by both the venue owner and the event promoter. This shared responsibility works to raise safety awareness through a written contract that outlines responsibility for security and public safety.

It is important to note that many venue owners already routinely require event promoters to engage in some form of contractual agreement.

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