General Law Committee
JOINT FAVORABLE REPORT

Bill No.: SB-434
Title: AN ACT CONCERNING SPECULATIVE SALES OF EVENT TICKETS.
Vote Date: 3/21/2019
Vote Action: Joint Favorable
PH Date: 2/19/2019
File No.: 513

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SPONSORS OF BILL:
Senator Witkos, 8th District

REASONS FOR BILL:
The purpose of this bill is to prevent ticket resellers from engaging in practices that will cause a high risk of loss to the purchaser of tickets to any entertainment or sporting event, theatrical or musical performance. The provisions within SB 434 would guarantee that the purchaser would receive a full refund, including all service fees and delivery charges, if the event is cancelled, fails to match the event described on the ticket, or if the reseller does not provide the purchaser with the purchased ticket. Additionally, the bill mandates the reseller to provide the purchaser with pertinent information including the reseller’s name, address, and contact information in order to ensure that the purchaser can contact the reseller should a full refund be necessary. This bill would also prevent any reseller from employing the tactic of tentative ticket sales where the reseller sells a ticket that is not in their possession at the time of the sale. Guarantees are also put in place that disclosures are made to customers in regards to the ticket delivery date, the number of tickets to be sold to the purchaser, the zone, section, or seat number assigned by the venue.

RESPONSE FROM ADMINISTRATION/AGENCY:
None Expressed

NATURE AND SOURCES OF SUPPORT:

Laura Dooley, Head of Global Government Relations, StubHub:
Speaking on behalf of StubHub Laura Dooley expressed support for SB 434 as a means of providing primary market transparency as it pertains to event ticket availability, and the speculative sale of event tickets. StubHub believes that both of those issues are of great
importance to customers in the ticket market and SB 434 will be instrumental in addressing these issues. Laura testified that it can be frustrating to consumers when they are not informed about how many event tickets are being made available for sale to the general public and/or whether additional tickets will be available for sale at a later date. This process of ticket holdbacks and pre-sales is a practice that is largely unknown by consumers, and this lack of transparency often leads to the use of bots which put customers at a further disadvantage. StubHub believes that SB 434 is an important step towards providing transparency in the primary ticket market which will help customers make better purchasing decisions.

Andrew Bianchi, Director of Public Policy, Ticketmaster:
Testifying on behalf of Ticketmaster Andrew Bianchi expressed support for SB 434 as it seeks to ban the practice of speculative ticketing, the use of bots which push customers out of the primary ticket market, and placing ticket inventory on resale sites. Ticketmaster feels that this practice is unfair as it forces fans and customers to compete against resellers who possess sophisticated tools, teams of buyers, and bots that have the ability to obtain tickets in bulk or hold them in reserve. Ticketmaster also supports SB 434 because it mandates transparency and prevents dishonest tactics that are often used by bad actors in the ticket resale market which serves to drive up ticket prices and limit their access to actual face value tickets.

NATURE AND SOURCES OF OPPOSITION:

TicketNetwork:
TicketNetwork submitted written testimony where they voiced opposition to SB 434 as it pertains to the prohibition of speculative ticketing or offering tickets that the reseller does not have possession of at the time of sale. TicketNetwork takes the position that often times there are occasions where tickets have not yet been printed or there are still agreements and deals that are still being worked on between an event promoter or the primary seller and reseller. This prohibition on speculative ticketing prevents resellers from being able to provide ticket inventory early in the selling process which can ultimately drive prices up. Being able to have a large supply of tickets available on the marketplace is to the benefit of the customer in order to avoid price increases on both the primary and resale markets. Although TicketNetwork opposes the speculative portion of SB 434, they do support the portion of the bill that addresses the need for transparency and mandated reporting from primary ticket sellers on the number of tickets that will be released during the initial sale to the public. TicketNetwork supports transparency because it enhances customer understanding of their chances to obtain tickets and provides additional information that allows the consumer to make the best purchasing decisions.

Reported by: Jeff Lucas Committee Clerk Date: 03/27/19