

SENATE BILL 539

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4lr2346
CF HB 701

By: **Senators Gile, Feldman, Beidle, and Ellis**

Introduced and read first time: January 24, 2024

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 29, 2024

CHAPTER _____

1 AN ACT concerning

2 **Commercial Law – Consumer Protection – Sale and Resale of Tickets**

3 FOR the purpose of requiring the listing for a ticket and each step of a transaction to
4 purchase a ticket to disclose certain information; ~~requiring a reseller to provide the~~
5 ~~contact information of the resale ticket purchaser to the ticket issuer for a certain~~
6 ~~purpose; prohibiting a reseller from selling or offering to sell a ticket for more than~~
7 ~~a certain price; limiting the fee that a secondary ticket exchange may charge for the~~
8 ~~service of providing a marketplace for the resale of a ticket; prohibiting a person from~~
9 ~~restricting the transfer or resale of a ticket that was made available to the general~~
10 ~~public for purchase, subject to certain restrictions; repealing the exceptions to the~~
11 prohibition against a reseller selling or offering to sell speculative tickets; prohibiting
12 a secondary ticket exchange from providing a marketplace for the resale of a ticket
13 that violates this Act; requiring a ticket issuer, secondary ticket exchange, or reseller
14 to provide a refund under certain conditions; and generally relating to consumer
15 protection and the sale and resale of tickets.

16 BY repealing and reenacting, with amendments,
17 Article – Commercial Law
18 Section 13–310.1
19 Annotated Code of Maryland
20 (2013 Replacement Volume and 2023 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Commercial Law

13–310.1.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) “Resale” means the second or subsequent sale of a ticket.

(ii) “Resale” includes a sale by any means, including in person, by telephone, by mail, by e-mail, by facsimile, or through a website or other electronic means.

(3) “Reseller” means a person [who offers a ticket for resale] **ENGAGED IN THE RESALE OF TICKETS.**

(4) **“SECONDARY TICKET EXCHANGE” MEANS AN ELECTRONIC MARKETPLACE THAT ENABLES ~~CONSUMERS~~ A PERSON TO SELL, PURCHASE, AND RESELL TICKETS.**

(5) (i) “Speculative ticket” means a ticket that is not in the actual or constructive possession of a reseller at the time of sale, **ADVERTISEMENT, OR LISTING.**

(ii) “Speculative ticket” includes a ticket sold by a reseller that, at the time of resale:

1. Is not in the physical possession of the reseller;
2. Is not owned by the reseller; or
3. Is not under contract to be transferred to the reseller.

[(5)] (6) “Ticket” means physical, electronic, or other evidence, that grants the possessor of the evidence [permission] **LICENSE** to enter a place of entertainment for one or more events at a specified date and time.

(7) (I) “TICKET ISSUER” MEANS A PERSON THAT, DIRECTLY OR INDIRECTLY, ISSUES INITIAL TICKETS FOR AN ENTERTAINMENT EVENT.

(II) “TICKET ISSUER” INCLUDES:

1. **A MUSICIAN OR MUSICAL GROUP;**
2. **AN OPERATOR OF A VENUE;**
3. **A SPONSOR OR A PROMOTER OF AN ENTERTAINMENT EVENT;**

1 4. A SPORTS TEAM PARTICIPATING IN AN
2 ENTERTAINMENT EVENT;

3 5. A SPORTS LEAGUE WHOSE TEAMS ARE
4 PARTICIPATING IN AN ENTERTAINMENT EVENT;

5 6. A THEATER COMPANY;

6 7. A MARKETPLACE OPERATED FOR CONSUMERS TO
7 MAKE AN INITIAL PURCHASE OF TICKETS; OR

8 8. AN AGENT OF ANY OF THE PERSONS LISTED IN ITEMS
9 1 THROUGH 7 OF THIS SUBPARAGRAPH.

10 (B) (1) THIS SUBSECTION APPLIES ONLY TO SECONDARY TICKET
11 EXCHANGES, TICKET ISSUERS, AND RESELLERS.

12 (2) THE LISTING FOR A TICKET AND EACH STEP OF A TRANSACTION
13 TO PURCHASE A TICKET SHALL:

14 (I) CLEARLY AND CONSPICUOUSLY DISCLOSE THE TOTAL
15 PRICE OF THE TICKET, INCLUDING ALL FEES AND TAXES OTHER THAN SHIPPING
16 COSTS THAT ARE NOT DETERMINABLE AT A STEP IN THE TRANSACTION;

17 (II) PROVIDE AN ITEMIZED LISTING OF ALL CHARGES THAT
18 COMPRISE THE TOTAL PRICE OF THE TICKET, INCLUDING ALL FEES AND TAXES; AND

19 (III) IDENTIFY THE SEAT NUMBER AND ZONE OR SECTION OF THE
20 TICKET, TO THE EXTENT APPLICABLE TO THE SEAT AND VENUE.

21 (3) (I) THE TOTAL PRICE OF A TICKET UNDER PARAGRAPH (2)(I)
22 OF THIS SUBSECTION MAY BE INCREASED IN A NONINITIAL STEP OF A TRANSACTION
23 BY THE AMOUNT OF REASONABLE SHIPPING COSTS FOR PHYSICALLY DELIVERED
24 TICKETS.

25 (II) THE SHIPPING COSTS ALLOWED UNDER SUBPARAGRAPH (I)
26 OF THIS PARAGRAPH MAY VARY WITH THE PURCHASER'S LOCATION RELATIVE TO
27 THE SHIPMENT'S LOCATION OF ORIGIN AND THE DELIVERY METHOD SELECTED BY
28 THE PURCHASER.

29 (III) THE TOTAL PRICE OF THE TICKET, INCLUDING ALL FEES,
30 TAXES, AND SHIPPING COSTS, SHALL BE CLEARLY AND CONSPICUOUSLY DISCLOSED
31 PRIOR TO FINAL PURCHASE OF THE TICKET.

~~(C) A RESELLER SHALL PROVIDE THE TICKET ISSUER WITH THE CONTACT INFORMATION OF THE RESALE TICKET PURCHASER TO ENABLE THE TICKET ISSUER TO NOTIFY THE RESALE TICKET PURCHASER OF ANY CHANGE IN THE EVENT CIRCUMSTANCES, SUCH AS AN EVENT CANCELLATION OR RESCHEDULING.~~

~~(D) (1) THIS SUBSECTION DOES NOT APPLY TO A FEE THAT A SECONDARY TICKET EXCHANGE MAY CHARGE FOR THE SERVICE OF PROVIDING A MARKETPLACE FOR THE RESALE OF A TICKET.~~

~~(2) (I) EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (H) OF THIS PARAGRAPH, THE TOTAL PRICE AT WHICH A RESELLER MAY SELL OR OFFER TO SELL A TICKET MAY NOT EXCEED THE TOTAL PRICE OF THE INITIAL TICKET, INCLUDING ALL FEES AND TAXES IN CONNECTION WITH THE INITIAL TICKET.~~

~~(H) IF INITIAL TICKETS WERE PURCHASED FOR A SERIES OF EVENTS, SUCH AS SEASON TICKETS FOR A SPORTS TEAM, THE TOTAL RESALE PRICE OF A TICKET FOR A SINGLE EVENT MAY NOT EXCEED THE TOTAL PRICE OF A COMPARABLE TICKET, INCLUDING ALL FEES AND TAXES.~~

~~(E) THE FEE THAT A SECONDARY TICKET EXCHANGE MAY CHARGE FOR THE SERVICE OF PROVIDING A MARKETPLACE FOR THE RESALE OF A TICKET MAY NOT EXCEED 10% OF THE TOTAL PRICE OF THE INITIAL TICKET.~~

~~(F) SUBJECT TO REASONABLE RESTRICTIONS IMPOSED BY A TICKET ISSUER, A PERSON MAY NOT PROHIBIT OR RESTRICT THE TRANSFER OR RESALE OF A TICKET THAT WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR PURCHASE.~~

~~(G) (C)~~ (b) A reseller may not sell or offer to sell speculative tickets [unless the reseller, clearly and conspicuously, discloses to a prospective purchaser at the outset of the sales transaction:

(1) That the tickets are speculative tickets, and the reseller is not in possession of the tickets;

(2) That the reseller is making an offer to procure the tickets for the prospective purchaser;

(3) An approximate date on which the tickets will be delivered to the purchaser;

(4) The name or a description of the event for which the tickets will permit entry;

(5) The total number of tickets included in the transaction;

- 1 (6) The number of tickets for seats that are together;
- 2 (7) The zone or section number of the tickets, to the extent applicable to
3 the venue; and
- 4 (8) For reserved seat tickets:
- 5 (i) The seat numbers of the tickets; or
- 6 (ii) If applicable, that the reseller cannot guarantee the specific seats
7 because the tickets are speculative tickets.
- 8 (c) (1) A reseller shall refund to a purchaser any consideration or deposit paid
9 for tickets sold under this section if the reseller fails to obtain the tickets:
- 10 (i) Within 24 hours after the approximate date of delivery specified
11 in subsection (b)(2) of this section, but before the commencement of the event for which the
12 tickets were sold; or
- 13 (ii) In conformity with the disclosures required under this section.
- 14 (2) A reseller shall make a refund required under this subsection not later
15 than 10 days after the final day of the event for which the tickets were sold].

16 ~~(H)~~ **(D) A SECONDARY TICKET EXCHANGE MAY NOT PROVIDE A**
17 **MARKETPLACE FOR THE SALE OR RESALE OF A TICKET THAT VIOLATES THIS**
18 **SECTION.**

19 **(E) A TICKET ISSUER, SECONDARY TICKET EXCHANGE, OR RESELLER WHO**
20 **DIRECTLY ENGAGES IN A SALES TRANSACTION WITH A PURCHASER FOR THE**
21 **PURCHASE OF A TICKET SHALL PROVIDE A THE PURCHASER WITH A FULL REFUND**
22 **OF THE TOTAL AMOUNT PAID, INCLUDING THE PRICE OF THE TICKET AND ANY FEES**
23 **AND TAXES, IF:**

24 **(1) THE TICKET PURCHASED IS COUNTERFEIT;**

25 **(2) THE EVENT FOR WHICH THE TICKET IS PURCHASED IS CANCELED;**

26 **OR**

27 **(3) THE TICKET FAILS TO CONFORM TO THE DESCRIPTION AS**
28 **ADVERTISED OR REPRESENTED TO THE PURCHASER BY THE SELLER.**

29 **SECTION 2. AND BE IT FURTHER ENACTED, That:**

(a) The Consumer Protection Division of the Office of the Attorney General, with input from relevant stakeholders, shall conduct a review of the event ticket market in the State.

(b) The review required under subsection (a) of this section shall include, to the extent feasible, an assessment of:

(1) how event tickets are obtained for resale by professional resellers and brokers;

(2) the cost of event tickets offered to and purchased by consumers on the resale market when compared with the face values and total event ticket prices for tickets offered to and purchased by consumers in the primary event ticket market;

(3) factors contributing to the cost of event tickets sold and offered for sale on the resale market;

(4) problems consumers are encountering relating to the purchase of event tickets sold and offered for sale on the resale market, including:

(i) the fraudulent sale of event tickets;

(ii) the sale of counterfeit tickets;

(iii) the denial of entry to events for which tickets were purchased by consumers; and

(iv) the use of bots to purchase for resale tickets for in-demand events;

(5) the impact of any measures taken in other states to protect consumers in the event ticket market, such as through resale price caps, limits on fees and charges by secondary market resale platforms, requiring the transferability of event tickets, and restrictions on the use of bots to purchase tickets for resale; and

(6) any other matters identified as relevant to the protection of consumers in the event ticket market.

(c) On or before December 1, 2024, the Consumer Protection Division of the Office of the Attorney General shall submit a report with findings and recommendations from the review required under this section to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1257 of the State Government Article.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.