

HOUSE BILL REPORT

EHB 1091

As Amended by the Senate

Title: An act relating to the unauthorized interference of ticket sales over the internet.

Brief Description: Concerning the unauthorized interference of ticket sales over the internet.

Sponsors: Representatives Van De Wege, Klippert, Carlyle, Fey, Goodman, Tarleton, Holy, Gregerson, Jinkins, Lytton, Stanford, Orwall, Kirby, Fitzgibbon, Sawyer, Ryu, Riccelli and Morris; by request of Attorney General.

Brief History:

Committee Activity:

Technology & Economic Development: 1/21/15, 1/29/15 [DP].

Floor Activity:

Passed House: 2/16/15, 98-0.

Senate Amended.

Passed Senate: 4/8/15, 49-0.

Brief Summary of Engrossed Bill

- Establishes the use or sale of software to interfere with or disrupt the operation of ticket sales over the Internet as an unfair or deceptive act under the Washington Consumer Protection Act (CPA).
- Establishes the sale of software that is advertised for profit with the express purpose to interfere with or disrupt the operation of ticket sales over the Internet as an unfair or deceptive act under the CPA.
- Specifies that the use or sale of software with the purpose to interfere with or disrupt the operation of Internet sales is only a violation of the CPA if the user or seller is aware of the purpose of the software.

HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 9 members: Representatives Morris, Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; Fey, Hudgins, Nealey, Ryu, Santos and Wylie.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 3 members: Representatives Harmsworth, Magendanz and Young.

Staff: Nikkole Hughes (786-7156).

Background:

Ticket Web Robots.

Ticket bots or web robots are software programs used to interfere with or disrupt the operation of ticket sales over the Internet or to buy up a substantial portion of the available tickets for later private resale. Interference by ticket bots includes gaining unauthorized priority access to purchasing tickets and reducing access of the general public to online ticket sales at the intended, original price. Commonly affected ticket sales include those for concerts, sporting events, and other entertainment events.

Consumer Protection Act.

The Washington Consumer Protection Act (CPA) declares that unfair and deceptive practices in trade or commerce are illegal. The CPA allows a person injured by an unfair or deceptive practice to bring a private cause of action for damages. The Office of the Attorney General may investigate and prosecute claims under the CPA on behalf of the state or individuals in the state.

Under the CPA, "person" includes natural persons, corporations, trusts, unincorporated associations, and partnerships.

Summary of Engrossed Bill:

A person may not:

- use software to interfere with or disrupt the operation of ticket sales over the Internet;
or
- sell software that is advertised for profit with the express purpose of interfering with or disrupting the operation of ticket sales over the Internet.

The use or sale of applicable software is only a violation of the CPA if the user or seller knows that the purpose of the software is to interfere with or disrupt ticket sales over the Internet.

A "ticket seller" is a person that makes admission tickets available at an initial presale or sale to the general public, either directly or indirectly.

The use or sale of software with the purpose to interfere with or disrupt the operation of Internet ticket sales is found to be an unfair or deceptive act in trade or commerce and an unfair method of competition for the purposes of applying the CPA.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment specifies that the use or sale of software to circumvent, thwart, interfere with, or evade a security measure, access control system, or other control or measure on a ticket seller's Internet web site is only a violation of the Consumer Protection Act if the user or seller knows or should know the purpose of the software.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 3, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) What this bill aims to address are the very popular concerts and events that ticket-bot users know will be sold out on the primary market due to demand. The bill will create greater equity and provide greater access among Washington citizens in the process of purchasing tickets. It will stop an unfair and deceptive practice. It will help ticket sellers maintain inventory control over their tickets. Ticket bots simulate a human buying tickets at a much faster rate, which skews not only the primary market, but also the secondary market. Bots are used to purchase more than 60 percent of the tickets for the most desirable shows. If you're on a legitimate ticket website, you have no way of knowing if you are being outraced by a bot.

(Opposed) None.

Persons Testifying: Josh Labelle, Seattle Theatre Group; Scott Hazelgrove, eBay Inc. and StubHub; and Shannon Smith, Office of the Attorney General.

Persons Signed In To Testify But Not Testifying: None.