

SENATE BILL REPORT

EHB 1091

As of March 24, 2015

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

Committee Activity: Commerce & Labor: 3/20/15.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Susan Jones (786-7404)

Background: Ticket Web Robots. Ticket bots or web robots are software programs used to interfere with or evade 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 Bill: Prohibited Acts. A person may not:

- use 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 website – interfere with or evade a ticket seller's website controls; or
- sell software that is advertised for profit with the express purpose to interfere with or evade a ticket seller's website controls.

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.

The use or sale of applicable software only violates the act if the user or seller knows that the purpose of the software is to interfere with or evade a ticket seller's website controls.

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

CPA Violations. The use or sale of software to interfere with or evade a ticket seller's website controls, which are used on the website to ensure the equitable distribution of tickets, is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purposes of applying the CPA.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: A fan may be prepared to purchase tickets right when they go on sale but they are sold out and the fan has to go to a secondary source to purchase the tickets at a much higher price. The fan may have encountered a ticket bought used by scalpers to purchase large blocks of tickets for resale. Ticket sellers may have controls to prevent this and limit the number of tickets that can be purchased but the ticket bots get around the controls. Thirteen states have outlawed this practice. An amendment would add "should know" because no one will admit to breaking the law. Bots compromise inventory control, and reduce access to tickets for the general public and to tickets at the regular price. As much as 40 percent of inventory can be compromised during a sale. A consumer may pay 30 to 40 percent more and sometimes they can pay double the original price.

Persons Testifying: PRO: Representative Van De Wege, prime sponsor; Bob Ferguson, WA Attorney General; Jake Bernstein, Assistant Attorney General; Josh LaBelle, Seattle Theater Group.

Persons Signed in to Testify But Not Testifying: No one.