

# SENATE BILL REPORT

## SB 5580

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As of February 10, 2015

**Title:** An act relating to requiring ticket brokers and resellers to make disclosures.

**Brief Description:** Requiring ticket brokers and resellers to make certain disclosures.

**Sponsors:** Senators Dammeier and Kohl-Welles.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/09/15.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Susan Jones (786-7404)

**Background:** Online ticket brokers are generally businesses engaged in the sale of event tickets from ticket resellers to buyers on an Internet website. Some ticket resellers resell tickets to events being held at locations without the permission of the location owners or event sponsors. A purchaser may not be aware that the broker or reseller does not have permission to resell the ticket. A purchaser may pay more than the face value of the ticket.

Some ticket brokers or ticket resellers accept orders for tickets before the broker or reseller has purchased or acquired the tickets. The purchaser may not be aware that the broker or dealer does not have the tickets.

The Consumer Protection Act (CPA) prohibits unfair or deceptive practices in commerce. The CPA may be enforced by private legal action or through a civil action by the Attorney General.

**Summary of Bill:** Every online ticket broker doing business in Washington State must prominently display immediately above the button used to purchase tickets in a 12-point or larger font the following disclosure: "You are buying tickets from a third party who may not be authorized by the event sponsor to sell tickets. [The owner of this website] is not the ticket seller. You may be paying more than face value for the tickets you are purchasing."

The ticket broker must use its trade name in the disclosure.

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*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.*

Every ticket broker and ticket reseller doing business in Washington State using a try-and-get order policy must prominently display to the buyer above the button used to purchase tickets the following disclosure: "The person you are about to pay (the ticket reseller) does not have the tickets you are seeking. The ticket reseller will attempt to acquire the tickets and then transfer them to you. It is not certain that the ticket reseller will be able to acquire the tickets."

Failing to make the required disclosures is a violation of the CPA and is an unfair or deceptive practice. The Attorney General has the sole ability to bring an action for failing to make the required disclosures.

**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: The fairs were concerned where frustrated people who bought their tickets from a reseller and they held the venue accountable. The Super Bowl is an example where people who paid good money did not get their tickets; some received refunds and some did not. The bill provides buyer beware information.

CON: Recently, bad operators have made news. However, there are good operators who fulfill their obligations to the consumers. The bill would place Washington businesses at a disadvantage to those operating out of state. Some companies who sell tickets also control several resellers and the bill may not apply to them. Some of those companies do not allow the sale of tickets below face value. There are FTC regulations that control these issues. Consumers are well informed and may rely on rating sites for information about companies. Having multiple state disclosures would be confusing. The bill promotes uncertainty and mistrust.

**Persons Testifying:** PRO: Senator Dammeier, prime sponsor.

CON: Mike Burgess, Ticket Network, Nexus Entertainment, Epic Seats; James Kimmel, Epic Seats; Scott Hazlegrove, StubHub, eBay.