SUBSTITUTE HOUSE BILL 1648

State of Washington 68th Legislature 2023 Regular Session

By House Consumer Protection & Business (originally sponsored by Representatives Reeves, Ryu, Berry, Walen, Simmons, Ramel, Orwall, Duerr, Gregerson, Doglio, Stonier, Pollet, and Morgan)

READ FIRST TIME 02/17/23.

- 1 AN ACT Relating to ticket sales; amending RCW 19.345.010,
- 2 19.345.020, and 43.24.150; adding new sections to chapter 19.345 RCW;
- 3 creating new sections; prescribing penalties; and providing an
- 4 effective date.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- $\underline{\text{NEW SECTION.}}$ Sec. 1. This act may be known and cited as the
- 7 ticket sales warrant integrity, fairness, and transparency for
- 8 consumer protection act, or TSWIFT consumer protection act.
- 9 **Sec. 2.** RCW 19.345.010 and 2015 c 129 s 2 are each amended to 10 read as follows:
- 11 The definitions in this section apply throughout this chapter 12 unless the context clearly requires otherwise.
- 13 (1) "Admission ticket" means evidence of a right of entry to a 14 venue or an entertainment event.
- 15 (2) "Affinity group" means an identifiable group of people who 16 are members of the same organization, or who are customers of the 17 same person, and who enjoy special privileges.
- 18 (3) "All-in price" means the total cost of an admission ticket,
 19 including all fees, which may include, but is not limited to, a

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- 1 service fee, processing fee, delivery fee, facility fee, and resale
 2 fee that must be paid to purchase the admission ticket.
 - (4) "Base price" means the dollar value of an admission ticket, which value must reflect the dollar amount that the customer is required to pay, and which excludes any charges, fees, and taxes.
 - (5) "Department" means the department of licensing.

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- (6) "Director" means the director of the department of licensing.
- 8 <u>(7)</u> "Event" means a concert, theatrical performance, sporting 9 event, exhibition, show, or other similar activity held in this 10 state.
 - ((+4+)) (8) "Initial sale" means the first sale of an admission ticket by the ticket seller. "Initial sale" also includes the distribution of admission tickets under an agreement between the ticket seller and the recipient.
 - (((5))) <u>(9)</u> "Internet domain name" means a globally unique, hierarchical reference to an internet host or server, which is assigned through a centralized internet naming authority, and which is composed of a series of character strings separated by periods with the rightmost string specifying the top of the hierarchy.
- 20 <u>(10)</u> "Person" means any individual, partnership, corporation, 21 limited liability company, other organization, or any combination 22 thereof.
 - $((\frac{(6)}{(6)}))$ (11) "Place of entertainment" means any privately or publicly owned or operated entertainment facility within this state, such as a theater, stadium, museum, arena, park, racetrack, or other place where concerts, theatrical performances, sporting events, exhibitions, shows, or other similar activities are held and for which an entry fee is charged.
 - $((\frac{(7)}{)})$ <u>(12)</u> "Presale" means a sale of admission tickets at or below the $(\frac{price\ printed\ on\ the\ ticket\ by})$ <u>base price</u>, or with the permission of, a ticket seller, prior to their release to the general public, and which may include an initial sale.
 - ((+8))) (13) "Promoter" means a person who organizes financing and publicity for an entertainment event.
- 35 (((9))) <u>(14) "Resale" means a sale other than the initial sale or</u> 36 presale of an admission ticket.
- 37 (15) "Ticket resale marketplace" means a person or entity that
 38 operates a platform or exchange to facilitate the resale or offering
 39 for resale of admission tickets between third parties, which includes
 40 platforms or exchanges operating by means of an internet website,

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- application, phone system, or other similar technology, and who does
 not generally maintain their own ticket inventory, and which may
 include a ticket seller.
 - (16) "Ticket reseller" means a person or entity that resells or offers for resale admission tickets.
- 6 (17) "Ticket seller" means a person that makes admission tickets
 7 available, directly or indirectly, at an initial ((presale or)) sale
 8 or presale to the general public, and may include an owner or
 9 operator of a place of entertainment, a sponsor or promoter of an
 10 event, a sports team participating in an event, a fan club or
 11 affinity group, a theater company, a musical group, or similar
 12 participant in an event, or an employee or agent of any such person.

13 EXCLUSIONS

- 14 <u>NEW SECTION.</u> **Sec. 3.** This chapter does not apply to:
 - (1) Agricultural fairs as provided in RCW 15.76.120;
 - (2) Public and private K-12 schools;
- 17 (3) Institutions of higher education as defined in RCW 18 28B.92.030;
- 19 (4) Nonprofit cultural institutions, including accredited zoos 20 and aquariums;
- 21 (5) Movie theaters;

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- (6) Professional and collegiate athletic teams;
- (7) Charitable corporations as defined in RCW 24.03A.010;
- 24 (8) Federally recognized tribes;
 - (9) Individual persons who are the original purchaser for personal use of one or more admission tickets to an event covered under this chapter, including persons who are the original purchaser for personal use of season tickets to theatrical performances or sporting events; and
 - (10) Individual employees of a ticket seller, ticket reseller, or ticket resale marketplace if the employee is conducting business in the name of and under the registration of the registered and licensed ticket seller, ticket reseller, or ticket resale marketplace, and all money received by the employee is collected in the name of the registered and licensed ticket seller, ticket reseller, or ticket resale marketplace as required by this chapter.

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- **Sec. 4.** RCW 19.345.020 and 2015 c 129 s 3 are each amended to 2 read as follows:
 - (1) A person may not:

- (a) 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, application, phone system, or similar technology that is used to enforce posted event admission ticket purchasing limits or to maintain the integrity of posted online admission ticket purchasing order rules; or
- (b) Sell software that is advertised for profit with the express purpose 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, application, phone system, or similar technology that is used to enforce posted event admission ticket purchasing limits or to maintain the integrity of posted online admission ticket purchasing order rules.
- (2) The use or sale of software as described in subsection (1) of this section only violates this section if the user or seller knows or should know that the purpose of the software is 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, application, phone system, or similar technology that is used to enforce posted event admission ticket purchasing limits or to maintain the integrity of posted online admission ticket purchasing order rules.
- (3) A person may not knowingly resell or offer to resell an admission ticket that was obtained using 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, application, phone system, or similar technology that is used to enforce posted event admission ticket purchasing limits or to maintain the integrity of posted online admission ticket purchasing order rules, and was not obtained for the person's own use or the use of their invitees, employees, or agents.
- (4) The legislature finds that the conduct described in subsections (1) and (3) of this section, and section 13 of this act (speculative tickets) vitally affects the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Using or selling software to circumvent, thwart, or evade a control or measure, which is used on a ticket seller's internet website,

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- application, phone system, or similar technology to ensure an equitable distribution of tickets, is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of
- 5 competition for the purposes of applying the consumer protection act,
- 6 chapter 19.86 RCW.

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- 7 (5) Ticket sellers have an affirmative obligation to notify the attorney general of the use of software as described in this section.
- 9 <u>NEW SECTION.</u> **Sec. 5.** Businesses domiciled outside the state of 10 Washington are subject to Washington law when selling admission 11 tickets to events in this state, regardless of where the buyer and 12 seller are domiciled.

13 TICKET SALES LICENSE

- NEW SECTION. Sec. 6. (1) In order to engage in the business of a ticket seller, ticket reseller, or ticket resale marketplace, a person must:
- 17 (a) Apply to the department for a ticket sales license on a form 18 designated by the department, pay an annual license fee, and renew 19 the license annually;
- 20 (b) Register with the secretary of state for a business license 21 to do business in this state; and
 - (c) Comply with the requirements of this chapter and department rules adopted under this chapter.
 - (2) A ticket sales license may only be granted upon an application setting forth such information as the department may require. The department must require applicants to disclose in their applications whether the applicant owns, is owned by, or shares common ownership with any other ticket seller or ticket reseller.
- 29 (3) No person may hold more than two ticket sales licenses and no 30 license may be transferred or assigned except upon written permission 31 of the department.
- 32 **Sec. 7.** RCW 43.24.150 and 2017 c 281 s 40 are each amended to 33 read as follows:
- 34 (1) The business and professions account is created in the state 35 treasury. All receipts from business or professional licenses, 36 registrations, certifications, renewals, examinations, or civil

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- penalties assessed and collected by the department from the following chapters must be deposited into the account:

 (a) Chapter 18.11 RCW, auctioneers;

 (b) Chapter 18.16 RCW, cosmetologists, barbers, and manicurists;

 (c) Chapter 18.145 RCW, court reporters;

 (d) Chapter 18.165 RCW, private investigators;
 - (e) Chapter 18.170 RCW, security guards;
- 8 (f) Chapter 18.185 RCW, bail bond agents;
- 9 (g) Chapter 18.280 RCW, home inspectors;
- 10 (h) Chapter 19.16 RCW, collection agencies;
- 11 (i) Chapter 19.31 RCW, employment agencies;
- 12 (j) Chapter 19.105 RCW, camping resorts;
- 13 (k) Chapter 19.138 RCW, sellers of travel;
- 14 (1) Chapter 42.45 RCW, notaries public;
- 15 (m) Chapter 64.36 RCW, timeshares;

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- 16 (n) Chapter 67.08 RCW, boxing, martial arts, and wrestling;
- 17 (o) Chapter 18.300 RCW, body art, body piercing, and tattooing;
- 18 (p) Chapter 79A.60 RCW, whitewater river outfitters;
- 19 (q) Chapter 19.158 RCW, commercial telephone solicitation; 20 ((and))
- 21 (r) Chapter 19.290 RCW, scrap metal businesses; and
- 22 (s) Chapter 19.345 RCW, ticket sales.

Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for expenses incurred in carrying out these business and professions licensing activities of the department. Any residue in the account must be accumulated and may not revert to the general fund at the end of the biennium. However, during the 2013-2015 fiscal biennium the legislature may transfer to the state general fund such amounts as reflect the excess fund balance in the account.

(2) The director must biennially prepare a budget request based on the anticipated costs of administering the business and professions licensing activities listed in subsection (1) of this section, which must include the estimated income from these business and professions fees.

36 DIRECTOR DUTIES

NEW SECTION. Sec. 8. In addition to any other duties imposed by law, the director has the following powers and duties:

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- 1 (1) To set license and renewal fees in accordance with RCW 2 43.24.086;
 - (2) To adopt rules necessary to implement this chapter;
 - (3) To prepare and administer or approve the preparation and administration of licensing under this chapter;
- 6 (4) To maintain the official department record of applicants and licensees;
- 8 (5) To set license expiration dates and renewal periods for all 9 licenses consistent with this chapter;
- 10 (6) To ensure that all informational notices produced by the 11 department regarding statutory and regulatory changes affecting 12 licensees are provided to each licensee in good standing; and
- 13 (7) To make information available to the department of revenue to 14 assist in collecting taxes from persons and businesses required to be 15 licensed under this chapter.

16 PRICE DISCLOSURES

- NEW SECTION. Sec. 9. (1) Ticket sellers, ticket resellers, and 17 ticket resale marketplaces may not sell, offer for sale, resell, or 18 offer for resale an admission ticket, including by means of an 19 internet website, application, phone system or other technology used 20 to sell tickets, without disclosing to a consumer the total amount 21 that the consumer will be charged before the consumer purchases the 22 23 admission ticket, including any fees which represent a portion of the 24 total amount to be charged.
 - (2) (a) The following disclosures must be made by ticket sellers, ticket resellers, and ticket resale marketplaces to a user prior to the user selecting a ticket:
 - (i) The base price of the admission ticket; and
- 29 (ii) The all-in price.

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- (b) Disclosures of subtotals, fees, and any other component of an admission ticket purchase price must not be false or misleading, must not be presented more prominently or in the same or larger size as the all-in price, and must be fully disclosed before a user is required to enter login credentials if the user is using a platform or exchange that requires login credentials to complete a purchase.
- (c) The price of an admission ticket may not increase between selection and purchase, excluding reasonable fees for the delivery of

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- 1 nonelectronic tickets based on the delivery method selected by the
- 2 purchaser, which must be disclosed prior to acceptance of payment.

3 CONSUMER DISCLOSURES

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NEW SECTION. Sec. 10. (1) Prior to a user's completion of a purchase of an admission ticket, including by means of an internet website, application, phone system, or other technology used to sell tickets, the following must be disclosed to a user by a ticket seller, ticket reseller, and ticket resale marketplace:

- (a) The terms of a purchaser's right to cancel the purchase of an admission ticket from the ticket seller or ticket reseller;
- 11 (b) The refund policy of the ticket seller or ticket reseller 12 should an event be canceled;
- 13 (c) Whether the ticket seller, ticket reseller, or ticket resale 14 marketplace is owned by, owns, or shares common ownership with 15 another ticket seller or ticket reseller;
 - (d) Whether an admission ticket is transferable, as provided for in section 11 of this act;
 - (e) A hyperlink to a copy of the licensee's license;
- 19 (f) Contact information to submit a consumer complaint including, 20 but not limited to, information for the Washington state consumer 21 protection division complaint website; and
- 22 (g) A statement that Washington state has consumer protections 23 for consumers of admission tickets for events, and where those laws 24 may be found.
- 25 (2) If a ticket reseller is owned by, owns, or shares common 26 ownership with a ticket seller, prior to a user's completion of a 27 purchase of an admission ticket the ticket reseller must disclose the 28 following:
- 29 (a) Whether admission tickets for an event are still available 30 for purchase from the ticket seller with whom the ticket reseller 31 shares common ownership, owns, or is owned by; and
- 32 (b) The base price of the admission ticket available for purchase 33 from that ticket seller.

34 TICKET TRANSFERABILITY

NEW SECTION. **Sec. 11.** (1) A ticket seller may employ a nontransferable admission ticketing system only if the consumer is

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- offered an option at the time of initial sale or presale to purchase the same admission ticket in a transferable form that allows admission tickets to be given away or resold independent of and without requiring the consumer to access or log into the ticket seller's website or platform, without penalty or discrimination.
- (2) A person may not be penalized, discriminated against, or denied access to an event solely on the grounds that the admission ticket was resold or that the admission ticket was resold on a ticket resale marketplace or other admission ticket platform not affiliated with the ticket seller.
- 11 (3) Nothing in this section prohibits a ticket seller from 12 maintaining and enforcing policies with respect to conduct, behavior, 13 or age at entertainment venue, or establish limits on the quantity of 14 admission tickets that may be purchased for an event.

15 **DECEPTIVE URLS**

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- NEW SECTION. Sec. 12. (1) The website of a ticket seller, ticket reseller, or ticket resale marketplace selling admission tickets to an event scheduled at a place of entertainment in this state shall not use an internet domain name or subdomain thereof in the website's uniform resource locator that contains any of the following:
 - (a) The name of a place of entertainment;
 - (b) The name of an event, including the name of a person or entity scheduled to perform or appear at the event; or
- 25 (c) A name substantially similar to those described in (a) and 26 (b) of this subsection.
 - (2) The restriction in subsection (1) of this section does not apply if the ticket seller, ticket reseller, or ticket resale marketplace selling admission tickets to an event scheduled in this state is acting on behalf of the place of entertainment, event, person, or entity scheduled to perform or appear at the event.

32 SPECULATIVE TICKET BAN

NEW SECTION. Sec. 13. (1) A ticket reseller shall not utilize a tentative ticket policy under which the ticket reseller sells admission tickets that are not owned by the ticket reseller, under contract to be transferred to the ticket reseller, or in the ticket

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- reseller's possession at the time of sale unless the policy is disclosed to an admission ticket purchaser at the outset of the transaction.
- (2) The disclosure under subsection (1) of this section must 4 include an approximate delivery date and the number of admission 5 6 tickets that are guaranteed to be grouped together, including any 7 designation by the venue of an assigned seating zone, section number, or seat number. If the ticket reseller cannot quarantee specific 8 9 seats because the tickets are not owned by the ticket reseller, under contract to be transferred to the ticket reseller, or in the ticket 10 11 reseller's possession, then the ticket reseller must also disclose 12 this fact to an admission ticket purchaser at the outset of the 13 transaction.
- 14 (3) If a ticket reseller is unsuccessful in securing the 15 tentative tickets contemplated in this section, then the ticket 16 reseller must refund any deposit made by the purchaser of those 17 admission tickets no later than 10 days after the date of the 18 ticketed event.

19 UNIFORM REGULATION OF BUSINESS AND PROFESSIONS ACT

- NEW SECTION. Sec. 14. The uniform regulation of business and professions act, chapter 18.235 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter.
- NEW SECTION. Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 16. Sections 3, 5, 6, and 8 through 14 of this act are each added to chapter 19.345 RCW.
- NEW SECTION. Sec. 17. This act takes effect January 1, 2025.
- NEW SECTION. Sec. 18. (1) The legislature finds that Washingtonians are proud to support the arts and music and entertainment events; value the opportunity to attend live events;

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and appreciate the economic benefit these events and venues bring to local communities.

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- (2) The legislature submits that in multiple instances, consumers have had negative ticket sales experiences, including the most recent Taylor Swift concert tour. These concert fans were frustrated at the "nightmare dressed like a daydream" when trying to get access to their favorite artist's live events. When fans felt the ticket sales industry created "bad blood" with consumers, they refused to be told "you need to calm down."
- 10 (3) The legislature believes ticket sellers should be "fearless" 11 in providing integrity, fairness, and transparency with consumers, 12 and therefore, the legislature refuses to "shake it off."

--- END ---

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