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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- SHOWS AND EXHIBITIONS

Introduced By: Senators Pearson, Seveney, Murray, Crowley, and Lynch Prata

Date Introduced: March 14, 2019

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-22-26 of the General Laws in Chapter 5-22 entitled "Shows and
2 Exhibitions" is hereby amended to read as follows:

3 **5-22-26. ~~Ticket speculators.~~ Ticket sales and resale.**

4 (a) When used in this section, the following words and phrases shall have the following
5 meanings:

6 (1) "Non-transferable ticketing system" means restricting, through contractual or
7 technological means, a ticket purchaser's ability to freely use, give away, or resell the tickets they
8 have purchased.

9 (2) "Ticket issuer" means any person that makes tickets available, directly or indirectly,
10 to an entertainment event, and may include the operator of a venue; the sponsor or promoter of an
11 entertainment event; a sports team participating in an entertainment event or a league whose
12 teams are participating in an entertainment event; a theatre company, musical group or similar
13 participant in an entertainment event; or an agent of any such person.

14 (3) "Ticket platform" means a marketplace that enables consumers to purchase and sell
15 tickets.

16 (4) "Resale of tickets" means the act of reselling tickets purchased from the ticket issuer.

17 (b) No person shall ~~sell~~ resell, offer for ~~sale~~ resale, or attempt to ~~sell~~ resell any ticket,
18 privilege, or license of admission to an entertainment event, including, but not limited to, any
19 place of public amusement, arena, stadium, theatre, performance, sport, exhibition, or athletic

1 contest in this state at a price greater than the price, including tax, printed on the ticket, and a
2 reasonable service charge for services actually rendered not to exceed three dollars (\$3.00) or ten
3 percent (10%) of the price printed on the ticket, whichever is greater. The owner or operator of
4 the property on which an entertainment event is to be held or is being held may authorize, in
5 writing, any person to sell a ticket, privilege, or license of admission at a price in excess of that
6 authorized under this section. That writing shall specify the price for which the ticket, privilege,
7 or license of admission is to be sold. Any person violating any provision of this section is guilty
8 of a misdemeanor and shall be fined not more than one thousand dollars (\$1,000) for each
9 offense.

10 (c) Notwithstanding subsection (b) of this section, a person may resell, offer to resell, or
11 attempt to resell any ticket, privilege, or license of admission to an entertainment event,
12 including, but not limited to, any place of public amusement, arena, stadium, theatre,
13 performance, sport, exhibition, or athletic contest in this state, without restriction or monetary
14 limitation, through an Internet website if the person has legally procured the ticket and provides
15 the ticket purchaser a full refund or comparable replacement ticket if:

16 (1) The event is canceled and not rescheduled;

17 (2) The ticket received by the purchaser is counterfeit;

18 (3) The ticket fails to conform to the description provided by the seller or reseller;

19 (4) The ticket was not delivered to the purchaser prior to the occurrence of the event,
20 unless such failure of delivery was due to an act or omission of the purchaser; or

21 (5) The ticket does not provide the consumer admission to the event for which it was
22 purchased.

23 (c) The refund shall include the full price paid by the consumer for the ticket, in addition
24 to all fees charged in connection with that purchase, including, but not limited to, download,
25 delivery, and shipping fees.

26 (d) A person subject to this section by engaging in the resale of event tickets may satisfy
27 the requirements of this section by utilizing a ticket platform that fully complies with this section.

28 (e) Notwithstanding any contrary terms or conditions:

29 (1) A ticket issuer may employ a nontransferable ticketing system only if the consumer is
30 offered an option at the time of initial sale to purchase the same ticket in a transferable form that
31 allows tickets to be given away or resold independent of the ticket issuer's preferred ticket
32 platform, without penalty or discrimination.

33 (2) A ticket buyer or seller shall not be penalized, discriminated against, or denied access
34 to an event solely because the ticket or tickets were resold or because of the ticket platform

1 through which the ticket or tickets were resold.

2 (f) Nothing in this section shall prevent a ticket issuer or venue operator from:

3 (1) Maintaining and enforcing policies with respect to conduct, behavior, or age at the
4 venue or event;

5 (2) Establishing and enforcing limits on the quantity of tickets that may be purchased;

6 (3) Canceling tickets that were procured in violation of subsection (g) of this section or
7 15 U.S.C §45c [the Federal BOTS Act].

8 (4) Employing a non-transferable system:

9 (i) For tickets that are sold or given to individuals or groups as part of a targeted
10 promotion, discounted price, or private event offered because of the individuals' or groups' status
11 or affiliation, including, but not limited to, groups or individuals characterized by a disability,
12 membership in a religious or civic organization, students, or economic hardship, and such tickets
13 are not offered promotionally to the general public.

14 (ii) For tickets sold to the NCAA Division I post-season collegiate basketball and hockey
15 tournaments.

16 (g) A person may not knowingly use or sell software to circumvent a security measure,
17 access control system, or other control or measure used by a ticket platform to enforce event
18 ticket purchasing limits or to maintain the integrity of online ticket purchasing order rules.

19 SECTION 2. Chapter 6-13.1 of the General Laws entitled "Deceptive Trade Practices" is
20 hereby amended by adding thereto the following section:

21 **6-13.1-30. Deceptive ticket websites.**

22 (a) When used in this section, the following words and phrases shall have the following
23 meanings:

24 (1) "Internet domain name" means a globally unique, hierarchical reference to an Internet
25 host or service, which is assigned through centralized Internet naming authorities and which is
26 comprised of a series of character strings separated by periods, with the right most string
27 specifying the top of the hierarchy.

28 (2) "Ticket website" means a website advertising the sale of tickets, offering the sale of
29 tickets, or offering tickets for resale to an event in Rhode Island.

30 (3) "URL" means a website's uniform resource locator.

31 (4) "Venue" means an arena, stadium, theater, concert hall, or other place of exhibition or
32 performance in this state.

33 (5) "Website operator" means a person owning, operating, or controlling a ticket website
34 for an event scheduled at a venue.

1 (b)(1) Except as provided in §6-13.1-30(b)(2), a website operator may not intentionally
2 use an Internet domain name, or any subdomain thereof, in a ticket website's URL that contains
3 any of the following:

4 (i) The name of the venue.

5 (ii) The name of the exhibition or performance, including the name of the person or entity
6 scheduled to perform or appear at the venue.

7 (iii) Any name substantially similar to the name of the venue, exhibition or performance,
8 including the name of the person or entity, scheduled to perform or appear at the venue.

9 (2) Section 6-13.1-30(b)(1) does not apply to a website operator who is authorized by the
10 venue to be acting upon its behalf.

11 (c) A violation of this section is an unfair or deceptive trade practice as defined in §6-
12 13.1-1.

13 SECTION 3. This act shall take effect on January 1, 2020.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO BUSINESSES AND PROFESSIONS -- SHOWS AND EXHIBITIONS

1 This act would establish that a person reselling tickets for an entertainment event would
2 provide a full refund if the event is cancelled and not rescheduled, the ticket is counterfeit, the
3 ticket fails to conform to the description provided by the seller or reseller; the ticket is not
4 delivered to the purchaser prior to the occurrence of the event, unless such failure of delivery was
5 due to an act or omission of the purchaser, or the ticket does not provide the consumer admission
6 to the event for which it was purchased, misrepresented, delivered after the event or fails to
7 provide admission. It would allow ticket issuers to sell nontransferable tickets only if transferable
8 tickets are also offered. The act would also prohibit deceptive ticket websites.

9 This act would take effect on January 1, 2020.

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