

2020 -- H 7793

=====
LC004524
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- SHOWS AND EXHIBITIONS

Introduced By: Representatives Morin, Millea, Vella-Wilkinson, O'Brien, and Casey

Date Introduced: February 26, 2020

Referred To: House Corporations

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2 Exhibitions" is hereby repealed.

3 ~~**5-22-26. Ticket speculators.**~~

4 ~~No person shall sell, offer for sale, or attempt to sell any ticket, privilege, or license of~~
5 ~~admission to an entertainment event, including, but not limited to, any place of public amusement,~~
6 ~~arena, stadium, theatre, performance, sport, exhibition, or athletic contest in this state at a price~~
7 ~~greater than the price, including tax, printed on the ticket, and a reasonable service charge for~~
8 ~~services actually rendered not to exceed three dollars (\$3.00) or ten percent (10%) of the price~~
9 ~~printed on the ticket, whichever is greater. The owner or operator of the property on which an~~
10 ~~entertainment event is to be held or is being held may authorize, in writing, any person to sell a~~
11 ~~ticket, privilege, or license of admission at a price in excess of that authorized under this section.~~
12 ~~That writing shall specify the price for which the ticket, privilege, or license of admission is to be~~
13 ~~sold. Any person violating any provision of this section is guilty of a misdemeanor and shall be~~
14 ~~finned not more than one thousand dollars (\$1,000) for each offense.~~

15 SECTION 2. Chapter 5-22 of the General Laws entitled "Shows and Exhibitions" is hereby
16 amended by adding thereto the following section:

17 **5-22-26.1. Ticket sales and practices.**

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

1 (1) “Entertainment event” means an event, held at an event venue, for which tickets sold
2 and to which the general public is invited, including, but not limited to, a performance, sport,
3 exhibition, athletic contest, concert, theatrical performance or operatic performance, except that
4 such term shall not include a movie held at a movie theater.

5 (2) “Event venue” means a structure, temporary or otherwise, where an entertainment event
6 is held, including, but not limited to, an arena, racetrack, stadium, or theater.

7 (3) “Primary sale” with respect to a ticket, means the initial sale of a ticket that has not
8 been sold previous to such sale, by a primary ticket seller to the general public on or after the
9 advertised date of such sale.

10 (4) “Primary ticket seller” means an owner or operator of an entertainment venue or a sports
11 team, a manager or provider of an entertainment event, or a provider of ticketing services (or an
12 agent of such owner, operator, manager, or provider) that engages in the primary sale of tickets for
13 an entertainment event or retains the authority to otherwise distribute tickets.

14 (5) “Resale” or “secondary sale” with respect to a ticket, means any sale of a ticket that
15 occurs after the primary sale of the ticket.

16 (6) “Reseller” means a person that sells a ticket after the primary sale of the ticket.

17 (7) “Secondary ticket sales marketplace” means a business, including a website, software
18 application for a mobile device, any other digital platform or portion thereof, of a physical seller
19 whose primary purpose is to facilitate the resale of tickets or purchasers.

20 **5-22-26.2. Required disclosures.**

21 (a) No person shall advertise the prices of tickets to any entertainment event for which a
22 service charge is imposed for the sale of a ticket at the site of the event, without conspicuously
23 disclosing in such advertisement, whether displayed at the site of the event or elsewhere, the total
24 price for each ticket and what portion of each ticket price, stated in a dollar amount, represents a
25 service charge or delivery fee.

26 (b) Not less than seven (7) days before the first ticket to an entertainment event is available
27 for primary sale, the primary ticket seller, and any ticket seller contracted by the primary ticket
28 seller, to sell tickets to the entertainment event shall disclose and display on the website of such
29 ticket seller the total number of tickets offered for sale to the general public by such primary ticket
30 seller.

31 (c) A reseller or secondary ticket sales marketplace shall disclose to each purchaser and
32 post on the website and mobile application of such reseller or secondary ticket sales marketplace a
33 clear and conspicuous notice that the reseller or secondary ticket marketplace is engaged in the
34 secondary sale of tickets.

1 (d) If a reseller or secondary ticket sales marketplace is also the primary ticket seller for an
2 entertainment event, such reseller or secondary ticket sales marketplace shall disclose such
3 association to each purchaser and post on the website and mobile application of such reseller or
4 secondary ticket sales marketplace a clear and conspicuous notice of such association.

5 **5-22-26.3. Conditions, refunds and penalty.**

6 (a) Any person who sells or resells a ticket to an entertainment event shall refund to the
7 purchaser of such ticket the full amount, including all service fees and delivery charges, paid by
8 the purchaser for such ticket if any of the following occurs:

9 (1) The event for which the ticket is sold or resold is cancelled;

10 (2) The ticket received by the purchaser does not grant the purchaser admission to the event
11 described on the ticket, except if the purchaser is not granted admission due to an act or omission
12 of such purchaser; or

13 (3) The ticket fails to conform to its description as advertised by the ticket seller or reseller,
14 unless the purchaser approves of such nonconformity.

15 (b) Any person who sells or resells a ticket to an entertainment event shall disclose any
16 guarantee or refund policy before the completion of the sale of the ticket.

17 (c) Any person who sells or resells a ticket to an entertainment event shall provide the
18 purchaser of such ticket with such ticket seller or reseller's name, address and telephone number or
19 other information necessary to allow such purchaser to contact such ticket seller or reseller to obtain
20 a refund of the ticket price, if necessary.

21 (d) A violation of any provision of this section shall constitute an unfair or deceptive trade
22 practice act as defined by § 6-13.1-1.

23 **5-22-26.4. Unlawful restrictions and prohibitions.**

24 (a) No owner or operator of an entertainment event or event venue shall create a distance-
25 based restriction with respect to the physical location of an event venue on the sale or resale of
26 tickets to an entertainment event at such event venue.

27 (b) No employee of an entertainment venue, primary ticket seller, or person who otherwise
28 hosts, promotes or performs in an entertainment event shall resell a ticket to such entertainment
29 event if such secondary sale:

30 (1) Is for a higher price than the price of the primary sale of the ticket, including all service
31 fees; or

32 (2) Is made to a third party and the employee has actual knowledge that the third party
33 intends to sell the ticket for a higher price than the price of the primary sale of the ticket, including
34 all service fees and delivery charges.

1 (c) A reseller or secondary ticket sales marketplace shall not make any representation of
2 affiliation with or endorsement of an entertainment venue, team, or artist without the express
3 written consent of the entertainment venue, team, or artist, except when it constitutes fair use and
4 is consistent with applicable laws.

5 (d) A violation of any provision of this section shall constitute an unfair or deceptive trade
6 practice act as defined by § 6-13.1-1.

7 **5-22-26.5. Entertainment event ticketing sales systems.**

8 (a)(1) No person shall employ an entertainment event ticketing sales system that fails to
9 give the purchaser an option to purchase tickets that the purchaser may transfer to any party, at any
10 price and at any time, without additional fees and without the consent of the person employing such
11 ticketing system.

12 (2) Notwithstanding the provisions of subsection (a)(1) of this section, a person employing
13 such ticketing sales system may employ a paperless ticketing system that does not allow for
14 independent transferability of tickets, provided the purchaser of such tickets is offered the option,
15 at the time of initial sale, to purchase the same tickets in another form that is transferrable,
16 independent of such a ticketing sales system, including, but not limited to, paper tickets or e-tickets
17 and without additional fees, regardless of the form or transferability of such tickets. A person
18 employing such ticketing sales system shall give each purchaser the option to remove any
19 personally identifiable information from the ticket.

20 (b) No person shall deny admission to an entertainment event to a ticket holder who
21 possesses a resold ticket to such entertainment event based solely on the grounds that such ticket
22 has been resold.

23 (c) A person employing an entertainment event ticketing sales system shall provide written
24 secondary market disclosure information to potential ticket purchasers, if applicable.

25 (d) The provisions of this section shall not apply to tickets sold or offered for sale to
26 students of a public institution of higher education for entertainment events held by or on behalf of
27 such institution.

28 (e) No owner or operator of an event venue or entertainment, primary ticket seller or
29 reseller shall set a minimum price at which tickets to an event may be sold or resold, or restrict that
30 ticket from being resold, whether as a condition of purchase or a contractual provision.

31 (f) No owner or operator of an event venue or entertainment event that is funded through
32 public donations or is an organization described in section 501(c)(3) of the Internal Revenue Code
33 of 1986 shall enter into a contract with a primary ticket seller under which the primary ticket seller
34 is the only person authorized by such owner or operator to sell tickets to the entertainment event.

1 (g) Any primary ticket seller that has entered into a contract with an owner or operator of
2 an entertainment event or event venue under which the primary ticket seller is the only person
3 authorized by such owner or operator to sell tickets to the entertainment event shall not restrict the
4 method by which a purchaser may receive a ticket solely to an electronic method.

5 (h) A violation of any provision of this section shall constitute an unfair or deceptive trade
6 practice act as defined by § 6-13.1-1.

7 **5-22-26.6. Automated ticket purchasing software.**

8 (a) No person shall utilize automated ticket purchasing software to purchase tickets on an
9 Internet website. For purposes of this section, “automated ticket purchasing software” means a
10 device, computer program, or computer software that enables the automated purchase of tickets to
11 entertainment events by bypassing or rendering inoperable security measures on an Internet website
12 offering the sale of tickets to entertainment events.

13 (b) A violation of any provision of subsection (a) of this section shall constitute an unfair
14 or deceptive trade practice act as defined by § 6-13.1-1.

15 **5-22-26.7. Uniform resource locator restrictions.**

16 No department, institution, or agency shall regulate the creation or usage of uniform
17 resource locators by a third party with respect to the inclusion of the name of an entertainment artist
18 or entertainment venue in the uniform resource locator.

19 **5-22-26.8. Personal information sharing.**

20 (a) No primary ticket seller, reseller or secondary ticket sales marketplace shall disclose
21 personally identifiable information of a ticket purchaser to a third party if the ticket seller has not
22 been given permission to make such disclosure by entering into an information sharing agreement
23 with a ticket reseller or secondary ticket sales marketplace.

24 (b) No owner or operator of an entertainment event or event venue, primary ticket seller,
25 reseller, or promoter for such entertainment event or event venue shall print the name or any other
26 personally identifiable information of a purchaser on a ticket to an entertainment event at such
27 event venue, unless the purchaser is able to remove, delete or fully obscure such name or personally
28 identifiable information on such ticket without such removal, deletion or obscurement invalidating
29 the ticket.

30 **5-22-26.9. Tentative tickets.**

31 (a) In this section, the term “tentative ticket” means a ticket to an entertainment event that
32 is not owned by the reseller at the time of the sale and for which the reseller does not have a contract
33 or other type of agreement under which the ticket will be transferred to the reseller after the sale.

34 (b) No reseller shall sell a tentative ticket to an entertainment event, unless the reseller

1 discloses to the purchaser before such sale:

2 (1) That such ticket is a tentative ticket;

3 (2) An approximate delivery date of the tentative ticket;

4 (3) Any designation by the event venue of an assigned seating zone, section number, or
5 seat number for the tentative ticket;

6 (4) If applicable, that the reseller cannot guarantee specific seats to the purchaser with
7 respect to the tentative ticket; and

8 (5) If more than one tentative ticket is purchased by the same person, the number of
9 tentative tickets that are guaranteed to be grouped together.

10 (c) If a reseller is unsuccessful in securing a purchased tentative ticket, then the reseller
11 shall, not later than ten (10) days after the date of the entertainment event, refund to the purchaser
12 the full amount, including all service fees and delivery charges, paid by the purchaser for such
13 tentative ticket.

14 SECTION 3. This act shall take effect upon passage.

=====
LC004524
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- SHOWS AND EXHIBITIONS

- 1 This act would regulate the sale or resale of tickets for entertainment events.
- 2 This act would take effect upon passage.

=====
LC004524
=====