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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- SHOWS AND EXHIBITIONS

Introduced By: Representatives Craven, and McEntee

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 amended to read as follows:

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

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

6 (1) "Event" means a concert, theatrical performance, sporting contest, exhibition, show, or
7 other similar activity held in this state.

8 (2) "Initial sale" means the first sale of a ticket by the ticket seller. "Initial sale" also
9 includes the distribution of admission tickets under an agreement between the ticket seller and the
10 recipient.

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

14 (4) "Person" means any individual, partnership, corporation, limited liability company,
15 other organization, or any combination thereof.

16 (5) "Resale of tickets" means the act of reselling tickets.

17 (6) "Ticket" means a right, privilege, or license of admission to enter, attend, or participate
18 in an event.

19 (7) "Ticket platform" means a marketplace that enables consumers to purchase and sell

1 tickets.

2 (8) "Ticket seller" means any person that makes tickets available for initial sale, directly or
3 indirectly, to an event, including, but not limited to, the operator of a venue; the sponsor or promoter
4 of an event; a sports team participating in an event or a league whose teams are participating in an
5 event; a theater company or musical group; a ticket platform; or an agent of any such person.

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

17 (c) Notwithstanding any terms or conditions to the contrary:

18 (1) A ticket seller may employ a non-transferable ticketing system only if the consumer is
19 offered an option at the time of initial sale to purchase the same ticket in a transferable form that
20 allows tickets to be given away or resold independent of the ticket seller's preferred ticket platform,
21 without penalty or discrimination.

22 (2) A person shall not be penalized, discriminated against, or denied access to an event
23 solely because the ticket or tickets were resold or because of the ticket platform where the ticket or
24 tickets were resold.

25 (d) Nothing in this section shall prevent a ticket seller or venue operator from:

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

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

29 (3) Canceling tickets that were procured in violation of 15 U.S.C. § 45c (the Federal BOTS
30 Act); or

31 (4) Employing a non-transferable system;

32 (i) For tickets that are sold or given to individuals or groups as part of a private event or a
33 targeted promotion at a discounted price because of the individuals' or groups' status or affiliation,
34 including, but not limited to, groups or individuals characterized by a disability, membership in a

1 religious or civic organization, students, or economic hardship, and the tickets are not offered
2 promotionally to the general public; or

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

5 (e) A ticket platform that enables the resale of tickets shall post a clear and conspicuous
6 notice on the website, that the website is for the secondary sale of tickets and that the price of the
7 ticket offered for sale may exceed the original sale price.

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

10 **6-13.1-31. Deceptive speculative tickets, ticket websites, and software.**

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

13 (1) "Event" means a concert, theatrical performance, sporting event, exhibition, show, or
14 other similar activity held in this state.

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

19 (3) "Performer" means an individual, team, group, or other person that entertains an
20 audience.

21 (4) "Person" means any individual, partnership, corporation, limited liability company,
22 other organization, or any combination thereof.

23 (5) "Promoter" means a person who organizes financing and publicity for an entertainment
24 event.

25 (6) "Ticket" means a right, privilege, or license of admission to enter, attend, or participate
26 in an event.

27 (7) "Ticket seller" means any person that makes tickets available for initial sale, directly or
28 indirectly, for sale to an event, including, but not limited to, the operator of a venue; the sponsor or
29 promoter of an event; a sports team participating in an event or a league whose teams are
30 participating in an event; a theatre company or musical group; a ticket platform; or an agent of any
31 such person.

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

34 (9) "Undisclosed speculative ticket" means a ticket that a person does not have, has not

1 purchased, and does not have a contractual right to obtain, and for which the person, or ticket
2 advertisement of listing, does not provide reasonable disclosure to a potential ticket purchaser or
3 consumer that the person does not have, has not purchased, and does not have a contractual right
4 to obtain the ticket.

5 (10) "URL" means a website's uniform resource locator.

6 (11) "Venue" means an arena, stadium, theater, concert hall, or other place of exhibition or
7 performance in this state.

8 (12) "Website operator" means a person owning, operating, or controlling a ticket website
9 for an event scheduled at a venue.

10 (b) A person may not:

11 (1) Use software to circumvent, thwart, interfere with, or evade a security measure, access
12 control system, or other control or measure used to enforce event ticket purchasing limits or to
13 maintain the integrity of online ticket purchasing order rules;

14 (2) Sell software that is advertised for profit with the express purpose to circumvent, thwart,
15 interfere with, or evade a security measure, access control system, or other control or measure used
16 to enforce event ticket purchasing limits or to maintain the integrity of online ticket purchasing
17 order rules; or

18 (3) Except as provided in § 6-13.1-31(c), a website operator may not intentionally use an
19 Internet domain name, or any subdomain thereof, in a ticket website's URL that contains any of the
20 following:

21 (i) The name of:

22 (A) A venue in this state;

23 (B) A performer;

24 (C) An organization or association that is associated with a performer, such as a
25 professional sports league; or

26 (D) An exhibition, performance, or other event to be held at a venue in this state;

27 (ii) A trademark not owned by the website operator, including a trademark owned by an
28 authorized agent or partner of the venue or event; or

29 (iii) Any name substantially similar to a name described in § 6-13.1-31(b)(3)(i), including
30 a misspelling of the name; or

31 (iv) An advertisement, listing for sale, or sale of an undisclosed speculative ticket.

32 (c) Section 6-13.1-31(b)(3) does not apply to a website operator who is authorized by the
33 venue, performer, organization, association, or event organizer to use the name or trademark on
34 their behalf for the purpose of selling or reselling tickets.

1 (d) A violation of this section is an unfair or deceptive trade practice pursuant to this chapter
2 and any person who violates subsections (b)(1) through (b)(3)(iii) of this section shall forfeit and
3 pay to the state a civil penalty of not more than five thousand dollars (\$5,000) per violation. Any
4 person who violates subsection (b)(iv) of this section shall forfeit and pay to the state a civil penalty
5 of not more than one thousand dollars(\$1,000) per violation. The attorney general, acting in the
6 name of the state, may petition for recovery of civil penalties.

7 SECTION 3. This act shall take effect on January 1, 2021.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO BUSINESSES AND PROFESSIONS -- SHOWS AND EXHIBITIONS

1 This act would establish a system for the regulation of ticket sales and resale and classify
2 certain practices employed by the ticket sellers as violations of the Deceptive Trade Practices Act
3 subject to civil penalties.

4 This act would take effect on January 1, 2021.

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