
SUBSTITUTE SENATE BILL 6488

State of Washington

65th Legislature

2018 Regular Session

By Senate Energy, Environment & Technology (originally sponsored by Senators Carlyle, Liias, Conway, and Kuderer)

READ FIRST TIME 02/02/18.

1 AN ACT Relating to ticket sales over the internet; amending RCW
2 19.345.005, 19.345.010, and 18.235.020; adding new sections to
3 chapter 19.345 RCW; prescribing penalties; and providing an effective
4 date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) No person, firm, or corporation may
7 resell or engage in the business of reselling any tickets to a place
8 of entertainment without having first procured a ticket reseller
9 license for each location at which business will be conducted from
10 the department.

11 (2) No person, firm, or corporation may operate an internet web
12 site or any other electronic service that provides a mechanism for
13 two or more parties to participate in a resale transaction or that
14 facilitates resale transactions by the means of an auction, or own,
15 conduct, or maintain any office, branch office, bureau, agency, or
16 subagency for such a business without having first procured a ticket
17 reseller license for each location at which business will be
18 conducted from the department.

19 (3) Any operator or manager of a web site that serves as a
20 platform to facilitate resale, or resale by way of a competitive
21 bidding process, solely between third parties and does not in any

1 other manner engage in resales of tickets to places of entertainment
2 is exempt from the licensing requirements of this chapter.

3 (4) The department shall issue and deliver to an applicant who
4 qualifies under this section a ticket reseller license to conduct
5 such a business and to own, conduct, or maintain a bureau, agency,
6 subagency, office, or branch office for the conduct of such a
7 business on the premises stated in the application upon the payment
8 by or on behalf of the applicant of a fee of five thousand dollars.
9 The license shall be renewed upon the payment of a fee of five
10 thousand dollars annually. Ticket reseller licenses may not be
11 transferred or assigned, except by permission of the department.

12 (5) A ticket reseller license expires at midnight on December
13 31st of every year, unless revoked by the department.

14 (6) A ticket reseller license must be granted upon a written
15 application setting forth information the department may require in
16 order to carry into effect the provisions of this chapter.

17 (7) If an applicant or licensee under this section demonstrates
18 that their business provides a service to facilitate ticket
19 transactions without charging any fees, surcharges, or service
20 charges above the established price on every transaction, except a
21 reasonable and actual charge for the delivery of tickets, then the
22 fees for licensing under this section are not required.

23 NEW SECTION. **Sec. 2.** (1) Immediately upon the receipt of the
24 license issued pursuant to this chapter by the department, the
25 licensee named therein shall cause the license to be posted and at
26 all times displayed in a conspicuous place in the principal office of
27 the business for which it is issued. It shall also cause the license
28 for each branch office, bureau, agency, or subagency to be posted and
29 at all times displayed in a conspicuous place in such a branch
30 office, bureau, agency, or subagency for which it is issued. If a
31 licensee does business on the internet, it shall provide a hyperlink
32 displayed in a conspicuous manner to a scanned copy of the license.
33 The license is subject to inspection by the department or the
34 designee of the department at all reasonable times.

35 (2) It is unlawful for any person, firm, partnership, or
36 corporation holding a license to post the license or to permit the
37 license to be posted upon any premises other than those described
38 therein or to which the license has been transferred pursuant to the

1 provisions of this chapter or unlawfully to alter, deface, or destroy
2 such a license.

3 NEW SECTION. **Sec. 3.** (1) Every licensee shall at all times keep
4 full and accurate sets of records showing: (a) The prices at which
5 all tickets have been bought and sold by the licensee; and (b) the
6 names and addresses of the person, firm, or corporation from whom
7 they were bought. Licensees offering for initial sale tickets by
8 means of an auction shall maintain a record of the price when known
9 and the number of tickets and types of seats offered through auction.

10 (2) Records required to be kept under this section must be made
11 available upon request to the attorney general, the department, or
12 other governmental body with the express authority to enforce any
13 section of this chapter. These records must be retained for a period
14 of not less than ten years.

15 (3) Twice annually, on June 30th and December 31st, every
16 licensee that resells tickets or facilitates the resale or resale
17 auction of tickets between independent parties by any and all means
18 shall report to the department the total number of, and average
19 resale or average final resale auction price of, all tickets to each
20 ticketed event, provided, however, that repeat performances of a
21 single event, and multiple events that are part of a season long
22 performance, must be treated as a single event for the purposes of
23 the reporting requirement of this subsection.

24 NEW SECTION. **Sec. 4.** (1) The department may issue an order to
25 cease and desist the unlicensed practice of ticket selling, deny an
26 application for a ticket seller license, refuse to renew a license,
27 revoke or suspend a license, impose a fine not exceeding one thousand
28 dollars per violation, issue a reprimand, or order restitution upon
29 proof to the satisfaction of the department that a person, applicant,
30 or licensee has:

31 (a) Violated any provision of this chapter, the uniform
32 regulation of business and professions act, chapter 18.235 RCW, or
33 any rule adopted under this chapter;

34 (b) Made a material misstatement in the application for such a
35 license;

36 (c) Engaged in fraud or fraudulent practices;

37 (d) Demonstrated untrustworthiness or incompetency; or

1 (e) Been convicted of a serious offense or misdemeanor which, in
2 the discretion of the department, bears such a relationship to
3 licensure as to constitute a bar to licensure or renewal.

4 (2) Disciplinary actions under this chapter must be initiated by
5 the department by serving a written statement of charges upon the
6 person, applicant, or licensee to be charged.

7 NEW SECTION. **Sec. 5.** (1) The department has the power, upon
8 complaint of any person or on its own initiative, to investigate the
9 business, business practices, or business methods of any licensee
10 that are related to the licensee's obligations under this chapter.

11 (2) Each licensee is obliged, on request of the department, to
12 supply such information as may be required concerning its business,
13 business practices, or business methods provided that the information
14 requested is related to the complaint that forms the basis of such an
15 investigation.

16 (3) Each operator of any place of entertainment is required, on
17 request of the department, to supply such information as may be
18 required concerning the business, business practices, or business
19 methods of any licensee under this chapter, provided that the
20 information requested is related to the complaint that forms the
21 basis of such an investigation.

22 (4) The department may adopt rules as deemed necessary for the
23 implementation and enforcement of this chapter.

24 NEW SECTION. **Sec. 6.** (1) The attorney general may bring an
25 action in the name of the state, or on behalf of persons residing in
26 the state, to restrain and prevent any act prohibited or declared to
27 be unlawful in this chapter.

28 (2) For actions brought by the attorney general, the legislature
29 finds that the practices covered by this chapter are matters vitally
30 affecting the public interest for the purpose of applying the
31 consumer protection act, chapter 19.86 RCW. For actions brought by
32 the attorney general, a violation of this chapter is not reasonable
33 in relation to the development and preservation of business and is an
34 unfair or deceptive act in trade or commerce and an unfair method of
35 competition for purposes of applying the consumer protection act,
36 chapter 19.86 RCW.

1 NEW SECTION. **Sec. 7.** Notwithstanding any right of action
2 granted to any governmental body pursuant to this chapter, any person
3 who has been injured by reason of a violation of this chapter may
4 bring an action in the person's own name to enjoin such an unlawful
5 act, and to seek up to five hundred dollars per violation, or actual
6 damages, whichever is greater. The court may award reasonable
7 attorneys' fees to a prevailing plaintiff.

8 NEW SECTION. **Sec. 8.** The ticket reseller licensing account is
9 created in the custody of the state treasurer. All receipts collected
10 under this chapter must be deposited into the account. Expenditures
11 from the account may be used only for implementation and enforcement
12 of this chapter. Only the director of the department or the
13 director's designee may authorize expenditures from this account. The
14 account is subject to allotment procedures under chapter 43.88 RCW,
15 but an appropriation is not required for expenditures.

16 **Sec. 9.** RCW 19.345.005 and 2015 c 129 s 1 are each amended to
17 read as follows:

18 (1) The legislature finds and declares that transactions
19 involving tickets for admission to places of entertainment are a
20 matter of public interest and subject to the supervision of the state
21 and the appropriate political subdivisions of the state for the
22 purpose of safeguarding the public and generating transparency in
23 ticket reselling.

24 (2) It is the intent of the legislature to protect consumers and
25 ticket sellers from software that simulates the action of a human
26 being purchasing tickets from a ticket seller in order to evade
27 controls and measures on a ticket seller's web site. The legislature
28 is concerned by the use of software, commonly referred to as BOTs
29 (web robots), to interfere with the operation of ticket sales over
30 the internet, gaining unauthorized priority access to purchasing
31 tickets, and thereby reducing access to the general public of online
32 ticket sales at the intended original price. In order to protect
33 consumers and ticket sellers, the legislature intends to prohibit
34 acts and practices of persons that use or sell software to
35 circumvent, thwart, interfere with, or evade a security measure,
36 access control system, or other control or measure on a ticket
37 seller's internet web site. It is not the intent of the legislature
38 to interrupt the online ticket buying process established by the

1 authorized ticket seller, including the distribution of tickets to
2 season ticket holders.

3 **Sec. 10.** RCW 19.345.010 and 2015 c 129 s 2 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Admission ticket" means evidence of a right of entry to a
8 venue or an entertainment event.

9 (2) "Affinity group" means an identifiable group of people who
10 are members of the same organization, or who are customers of the
11 same person, and who enjoy special privileges.

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

15 (4) "Initial sale" means the first sale of an admission ticket by
16 the ticket seller. "Initial sale" also includes the distribution of
17 admission tickets under an agreement between the ticket seller and
18 the recipient.

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

22 (6) "Place of entertainment" means any privately or publicly
23 owned or operated entertainment facility within this state, such as a
24 theater, stadium, museum, arena, park, racetrack, or other place
25 where concerts, theatrical performances, sporting events,
26 exhibitions, shows, or other similar activities are held and for
27 which an entry fee is charged.

28 (7) "Presale" means a sale of admission tickets at or below the
29 price printed on the ticket by, or with the permission of, a ticket
30 seller, prior to their release to the general public.

31 (8) "Promoter" means a person who organizes financing and
32 publicity for an entertainment event.

33 (9) "Ticket seller" means a person that makes admission tickets
34 available, directly or indirectly, at an initial presale or sale to
35 the general public, and may include an owner or operator of a place
36 of entertainment, a sponsor or promoter of an event, a sports team
37 participating in an event, a fan club or affinity group, a theater
38 company, a musical group, or similar participant in an event, or an
39 employee or agent of any such person.

1 (10) "Department" means the department of licensing.

2 (11) "Established price" means the price fixed at the time of
3 sale by the operator of any place of entertainment for admission to a
4 place of entertainment in Washington.

5 (12) "Operator" means any person who owns, operates, or controls
6 a place of entertainment or who promotes or produces an
7 entertainment.

8 (13) "Resale" means any sale of a ticket for more than the
9 established price for admission to a place of entertainment in
10 Washington other than a sale by the operator. Resale includes sales
11 by any means, including in person, or by means of telephone, mail,
12 delivery service, facsimile, internet, email, or other electronic
13 means, where the venue for which the ticket grants admission is
14 located in Washington state.

15 (a) "Resale" does not include any person, firm, or corporation
16 that sells less than fifty tickets per year above the established
17 price.

18 (b) "Resale" does not include any not-for-profit organization, or
19 person acting on behalf of such a not-for-profit organization, as
20 long as any profit realized from ticket reselling is wholly dedicated
21 to the purposes of the not-for-profit organization.

22 **Sec. 11.** RCW 18.235.020 and 2017 c 281 s 37 are each amended to
23 read as follows:

24 (1) This chapter applies only to the director and the boards and
25 commissions having jurisdiction in relation to the businesses and
26 professions licensed under the chapters specified in this section.
27 This chapter does not apply to any business or profession not
28 licensed under the chapters specified in this section.

29 (2)(a) The director has authority under this chapter in relation
30 to the following businesses and professions:

- 31 (i) Auctioneers under chapter 18.11 RCW;
32 (ii) Bail bond agents and bail bond recovery agents under chapter
33 18.185 RCW;
34 (iii) Camping resorts' operators and salespersons under chapter
35 19.105 RCW;
36 (iv) Commercial telephone solicitors under chapter 19.158 RCW;
37 (v) Cosmetologists, barbers, manicurists, and estheticians under
38 chapter 18.16 RCW;
39 (vi) Court reporters under chapter 18.145 RCW;

1 (vii) Driver training schools and instructors under chapter 46.82
2 RCW;

3 (viii) Employment agencies under chapter 19.31 RCW;

4 (ix) For hire vehicle operators under chapter 46.72 RCW;

5 (x) Limousines under chapter 46.72A RCW;

6 (xi) Notaries public under chapter 42.45 RCW;

7 (xii) Private investigators under chapter 18.165 RCW;

8 (xiii) Professional boxing, martial arts, and wrestling under
9 chapter 67.08 RCW;

10 (xiv) Real estate appraisers under chapter 18.140 RCW;

11 (xv) Real estate brokers and salespersons under chapters 18.85
12 and 18.86 RCW;

13 (xvi) Scrap metal processors, scrap metal recyclers, and scrap
14 metal suppliers under chapter 19.290 RCW;

15 (xvii) Security guards under chapter 18.170 RCW;

16 (xviii) Sellers of travel under chapter 19.138 RCW;

17 (xix) Timeshares and timeshare salespersons under chapter 64.36
18 RCW;

19 (xx) Whitewater river outfitters under chapter 79A.60 RCW;

20 (xxi) Home inspectors under chapter 18.280 RCW;

21 (xxii) Body artists, body piercers, and tattoo artists, and body
22 art, body piercing, and tattooing shops and businesses, under chapter
23 18.300 RCW; (~~and~~)

24 (xxiii) Appraisal management companies under chapter 18.310 RCW;
25 and

26 (xxiv) Ticket resellers under chapter 19.345 RCW.

27 (b) The boards and commissions having authority under this
28 chapter are as follows:

29 (i) The state board for architects established in chapter 18.08
30 RCW;

31 (ii) The Washington state collection agency board established in
32 chapter 19.16 RCW;

33 (iii) The state board of registration for professional engineers
34 and land surveyors established in chapter 18.43 RCW governing
35 licenses issued under chapters 18.43 and 18.210 RCW;

36 (iv) The funeral and cemetery board established in chapter 18.39
37 RCW governing licenses issued under chapters 18.39 and 68.05 RCW;

38 (v) The state board of licensure for landscape architects
39 established in chapter 18.96 RCW; and

1 (vi) The state geologist licensing board established in chapter
2 18.220 RCW.

3 (3) In addition to the authority to discipline license holders,
4 the disciplinary authority may grant or deny licenses based on the
5 conditions and criteria established in this chapter and the chapters
6 specified in subsection (2) of this section. This chapter also
7 governs any investigation, hearing, or proceeding relating to denial
8 of licensure or issuance of a license conditioned on the applicant's
9 compliance with an order entered under RCW 18.235.110 by the
10 disciplinary authority.

11 NEW SECTION. **Sec. 12.** The uniform regulation of business and
12 professions act, chapter 18.235 RCW, governs unlicensed practice, the
13 issuance and denial of licenses, and the discipline of licensees
14 under this chapter.

15 NEW SECTION. **Sec. 13.** Sections 1 through 8 and 12 of this act
16 are each added to chapter 19.345 RCW.

17 NEW SECTION. **Sec. 14.** This act takes effect December 31, 2018.

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