

HOUSE BILL REPORT

HB 1648

As Reported by House Committee On:
Consumer Protection & Business
Appropriations

Title: An act relating to ticket sales.

Brief Description: Concerning ticket sales.

Sponsors: Representatives Reeves, Ryu, Berry, Walen, Simmons, Ramel, Orwall, Duerr, Gregerson, Doglio, Stonier, Pollet and Morgan.

Brief History:

Committee Activity:

Consumer Protection & Business: 1/31/23, 2/15/23 [DPS], 1/16/24, 1/26/24 [DP3S];
Appropriations: 2/22/23, 2/24/23 [DP2S(w/o sub CPB)], 2/3/24, 2/5/24 [DP3S(CPB)].

Brief Summary of Third Substitute Bill

- Creates a ticket sales license that must be obtained to engage in the business of a ticket seller, ticket reseller, or ticket resale marketplace, unless an exception applies.
- Requires ticket sellers, ticket resellers, and ticket resale marketplaces to make specified consumer and price disclosures to admission tickets purchasers, subject to exceptions.
- Establishes requirements for the transferability of tickets, internet domain name use, and tentative ticket policies.
- Provides for enforcement under the Consumer Protection Act for specified violations of ticket sales practices.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: The third substitute bill be substituted therefor and the third substitute

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bill do pass. Signed by 7 members: Representatives Walen, Chair; Reeves, Vice Chair; Chapman, Donaghy, Hackney, Ryu and Santos.

Minority Report: Do not pass. Signed by 4 members: Representatives Robertson, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Connors and Volz.

Staff: Michelle Rusk (786-7153).

Background:

Ticket Sales.

The means by which a person may purchase admission tickets from ticket sellers to certain events in this state is regulated. Specifically, a person is prohibited from using or selling software to circumvent, thwart, interfere with, or evade access controls or security measures on a ticket seller's website, in furtherance of the Legislature's intent to protect consumers and ticket sellers from software that simulates the action of a human being purchasing tickets from a ticket seller in order to evade controls on the ticket seller's website. A "ticket seller" is a person who makes admission tickets available at an initial presale or sale to the general public, either directly or indirectly, and an "admission ticket" is evidence of a right of entry to an "event," which, as defined, includes a concert, theatrical performance, sporting event, exhibition, show, or similar activity held in this state.

The use or sale of software to interfere with or disrupt the operation of ticket sales over the internet is found to be an unfair or deceptive act in trade or commerce and an unfair method of competition for the purposes of applying the Consumer Protection Act (CPA). The CPA prohibits unfair or deceptive acts or practices in trade or commerce, the formation of contracts, combinations, and conspiracies in restraint of trade or commerce, and monopolies. Persons injured by violations of the CPA may bring a civil action to enjoin further violations and recover actual damages, costs, and attorney's fees. The Attorney General may bring an action in the name of the state, or as *parens patriae* on behalf of persons residing in the state, against any person, to enjoin violations of the CPA and obtain restitution.

Summary of Bill (Third Substitute):

Ticket Sales License Established.

A new license is established that must be obtained in order to engage in the business of a ticket seller, ticket reseller, or ticket resale marketplace, administered by the Department of Licensing (DOL), unless an exception applies. A "ticket reseller" is a person or entity that resells, or offers for resale, admission tickets. A "ticket resale marketplace" is a person or entity that operates a platform or exchange to facilitate the resale, or offering for resale, of admission tickets between third parties, which includes platforms or exchanges operating by

means of an internet website, application, phone system, or other similar technology, and who does not generally maintain their own ticket inventory, and which may include a ticket seller.

The DOL Director is authorized to set license and renewal fees, adopt rules, and set license expiration and renewal dates. When applying for a license, applicants must disclose whether they own, are owned by, or share common ownership with any other ticket seller or ticket reseller.

Ticket Seller and Ticket Reseller Disclosure and Other Requirements.

Price Disclosures.

Unless an exception applies, ticket sellers, ticket resellers, and ticket resale marketplaces may not sell, resell, or offer for sale or resale, admission tickets without disclosing to a consumer, prior to a user selecting a ticket, the total amount they will be charged before purchasing an admission ticket. Price disclosures must include an admission ticket's base price and all-in price. "All-in price" means the total cost of an admission ticket, including all fees, which may include, but is not limited to, a service fee, processing fee, delivery fee, facility fee, and resale fee that must be paid to purchase the admission ticket. "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.

Disclosure of subtotals, fees, and any other component of an admission ticket purchase price:

- must not be false or misleading;
- cannot be presented more prominently than an admission ticket's total purchase price; and
- must be fully disclosed before a user is required to enter login credentials if the user is purchasing a ticket on a platform or exchange that requires login credentials to complete a purchase.

An admission ticket price must not increase between selection and purchase, excluding reasonable fees for delivery of nonelectronic tickets that must be disclosed prior to acceptance of payment.

Consumer Disclosures.

Prior to a user completing a purchase of an admission ticket, ticket sellers, ticket resellers, and ticket resale marketplaces must also disclose to users:

- the terms of a purchaser's right to cancel a purchase;
- the applicable refund policy if an event is canceled;
- whether the ticket seller, ticket reseller, or ticket resale marketplace is owned by, owns, or shares common ownership with another ticket seller or ticket reseller;
- a hyperlink to a copy of the licensee's ticket sales license;
- contact information to submit a consumer complaint, including information for the Washington Consumer Protection Division's complaint website; and

- that Washington has consumer protections for consumers of admission tickets for events, and where those laws may be found.

If a ticket reseller is owned by, owns, or shares common ownership with a ticket seller, it must disclose the following to a user prior to the user completing a purchase of an admission ticket: (1) whether admission tickets for an event are still available for purchase from the ticket seller with whom the ticket reseller owns, is owned by, or shares common ownership with; and (2) the base price of the admission ticket available for purchase from that ticket seller.

Additional Changes.

Ticket Transferability.

A ticket seller may only use a non-transferable admission ticket system if a consumer is also offered an option to purchase the same admission ticket in a transferable form. A purchaser may not be penalized or denied access to an event solely on the basis that the admission ticket was resold or resold on a ticket resale marketplace not affiliated with the ticket seller.

Deceptive Internet Domain Names.

Unless a ticket seller, ticket reseller, or ticket resale marketplace is selling admission tickets to an event on behalf of a place of entertainment, event, person, or entity scheduled to perform or appear, the ticket seller, ticket reseller, or ticket resale marketplace may not use an internet domain name that contains any of the following:

1. the name of a place of entertainment;
2. the name of an event, including the name of a person or entity scheduled to perform;
- or
3. a name substantially similar to points one and two above.

Speculative Ticket Sales.

Ticket resellers or their affiliates may not resell an admission ticket, or advertise it for sale, unless they make specified disclosures and: (1) the admission ticket is in the possession or constructive possession of the ticket reseller; or (2) the ticket reseller has a written contract with the rightsholder of the admission ticket to obtain the admission ticket. A violation of this section is a *per se* violation of the CPA.

Exclusions.

The following are not required to comply with consumer and price disclosure requirements: (1) agricultural fairs; (2) public and private kindergarten through grade 12 schools; (3) institutions of higher education; (4) nonprofit cultural institutions, including accredited zoos and aquariums; (5) movie theaters; (6) collegiate athletic teams; and (7) federally recognized tribes.

Individuals who are the original purchaser of admission tickets for personal use, and individual employees of ticket sellers, ticket resellers, or ticket resale marketplaces, are not

subject to licensing requirements or other provisions of the act, except they are subject to limitations on specified uses of software to circumvent or evade a ticket seller's security measures on its website, application, phone system, or similar technology.

Ticket Sales Prohibited Acts.

The prohibition on using software to circumvent or evade a security measure or other control on a ticket seller's internet website is expanded to apply to an "application, phone system, or similar technology." It is also prohibited for a person to knowingly resell, or offer for resale, an admission ticket that such person knows 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. Violations of these prohibitions are enforceable through the CPA.

Third Substitute Bill Compared to Original Bill:

The third substitute bill:

- restores the definition of "admission ticket"; replaces the defined term "face value" with "base price"; modifies the definition of "ticket reseller"; and adds definitions for "all-in price," "internet domain name," and "ticket resale marketplace";
- excludes: (1) specified entities from consumer and price disclosures; and (2) certain individuals and employees from all requirements of the act, except the prohibitions on specified uses of software in connection with ticket sales;
- expands the conduct constituting a per se violation of the CPA to include engaging in unauthorized speculative ticket sales and knowingly selling admission tickets procured using prohibited software, and specifies that ticket sellers have an affirmative obligation to notify the Attorney General of the use of such software;
- modifies ticket sales license provisions to: (1) require ticket resale marketplaces to obtain a ticket sales license; (2) remove the requirement that licensees maintain a permanent place of business in Washington; (3) remove data reporting requirements; (4) require licensees to register with the Department of Revenue and Washington Secretary of State, as applicable; and (5) replace specified disciplinary provisions by adding the ticket sales license to the Uniform Regulation of Business and Professions Act;
- applies consumer and pricing disclosure requirements to ticket resale marketplaces;
- removes limitations on charging delivery fees and the use of dynamic pricing;
- requires ticket sellers who sell non-transferrable tickets to provide consumers an option to purchase the same ticket in a transferable form;
- prohibits the website of a ticket seller, ticket reseller, and ticket resale marketplace used to sell admissions tickets from using certain internet domain names, subject to exceptions;
- prohibits ticket resellers from reselling an admission ticket unless they make specified disclosures and: (1) the admission ticket is in their possession or constructive possession; or (2) the ticket reseller has a written contract to obtain the admission tickets; and

- removes the preemption clause and changes the effective date to January 1, 2026.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Third Substitute Bill: The bill takes effect on January 1, 2026.

Staff Summary of Public Testimony:

(In support) The third proposed substitute in front of the committee is the substitute that was voted out of this committee last year. We are committed to continuing to do this work until we are able to resolve ticket sales in Washington. We look forward to receiving more thoughts and questions about the bill.

(Opposed) None.

Persons Testifying: Representative Kristine Reeves, prime sponsor.

Persons Signed In To Testify But Not Testifying:

Sean Auyash, StubHub; Brian Hess, Sports Fans Coalition; Michael O'Neil, Vivid Seats; David Touhey, International Association of Venue Managers; Kevin Erickson, Future of Music Coalition; Jeff Gombosky, Live Nation; Josh LaBelle, Seattle Theatre Group; Phil Elverum; Andrew Hall; and Leigh Bezezekoff, Tractor Tavern.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The third substitute bill by Committee on Consumer Protection & Business be substituted therefor and the third substitute bill do pass. Signed by 19 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Callan, Chopp, Davis, Fitzgibbon, Lekanoff, Pollet, Riccelli, Ryu, Schmick, Senn, Simmons, Slatter, Springer, Stonier and Tharinger.

Minority Report: Do not pass. Signed by 9 members: Representatives Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Dye, Rude, Sandlin, Stokesbary and Wilcox.

Minority Report: Without recommendation. Signed by 2 members: Representatives Berg and Harris.

Staff: Ryan Blake (786-7303).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Consumer Protection & Business:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Third Substitute Bill: The bill takes effect on January 1, 2026.

Staff Summary of Public Testimony:

(In support) If you purchase a ticket, you should be free to use that ticket, give that ticket away, or sell that ticket on a secondary marketplace. Our organization thinks that ticket is yours. That is the most important consumer protection component of this bill. The bill will not prevent a fan-to-fan exchange if the ticketholder chose to enter that exchange. This provision on transferability would not create any additional costs for the state.

(Opposed) None.

(Other) There are many positive provisions but there is one major concern related to ticket transferability. Section 11 would limit performance artists' ability to transfer tickets. In recent years, there have been programs known as fan-to-fan exchanges where concerts can keep prices lower.

It would be a serious mistake to advance a bill named after an artist without the support of a music organization. Taylor Swift's fan union signed a letter saying they do not support this bill without changes. We like much of the bill, but section 11 takes away the best tool artists and venues have to protect against price gouging.

Persons Testifying: (In support) Scott Hazlegrove, StubHub.

(Other) Jeff Gombosky, Live Nation; and Kevin Erickson, Future of Music Coalition.

Persons Signed In To Testify But Not Testifying: None.