

H.512 Proposed Bill Text

Updates to H.512 “An act relating to the regulation of the event ticketing market”

Priorities to Include in the Bill

- **Price Cap on Secondary Ticket Exchange:** A ticket reseller or ticket issuer may not charge more than 10% of the total price of the original ticket, including taxes and fees, for the service of providing a marketplace for the resale of a ticket.

WHY: Price caps disincentivize resellers from reselling tickets at tremendous markups. Beyond being unfair to consumers, when patrons have a negative experience purchasing inflated costs on the resale market, they are less likely to become a long-term supporter of the nonprofit arts organization.

- **Ban on Deceptive URLs and Improper Use of Intellectual Property:** It shall be unlawful for a secondary ticketing exchange, reseller, or the operator of any website purporting to sell or offer for sale event tickets that links or redirects to a secondary ticketing exchange or reseller, to:

- (1) Use any artist name, venue name, or event organizer name, graphic, marketing logo, image or other intellectual property of the artist, venue, or event organizer including any proprietary resemblance of the venue where an event shall occur in promotional materials, social media promotions, or URLs of the secondary ticketing exchange, reseller, or website without the prior authorization of the respective artist, venue, or event organizer under the terms of agreement between the artist, venue, or event organizer and the secondary ticketing exchange, reseller, or website; or
- (2) State or imply that the secondary ticketing exchange, reseller, or website is affiliated with or endorsed by a venue, team, or artist, as applicable, including by using words like "official" in promotional materials, social media promotions, search engine optimization, paid advertising, URLs, or search engine monetization unless the secondary ticketing exchange, reseller, or website has the express written consent of the venue, team, or artist, as applicable.

WHY: Deceptive websites are entrapping Vermont consumers by presenting fake tickets, tickets purchased explicitly for retail with fraudulent credit cards, or extremely marked up tickets as if they are being bought directly from the venue. While enforcement of deceptive marketing may be difficult to enforce, this allows us to go directly to major websites (Yelp, Google, etc.) and tell them that they are directing people to illegal websites.

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- **Event Ticket Reseller Registration and Reporting Requirements**
 - a) **Event Ticket Reseller Registration:** Any individual or entity that resells 100 or more event tickets per year above face value must register annually and pay an annual registration fee with the ~~Vermont Secretary of State~~ as an event ticket reseller before conducting any ticket resale activity.
 - a. The resale of tickets as part of a season ticket package for a sports team, where the buyer purchases tickets for half or more of all home games, shall not count toward the 100-ticket threshold.
 - b) **Common Ownership:** Entities or individuals under common ownership or control shall be considered a single event ticket reseller for the purposes of determining registration requirements.
 - c) **Registration Requirements:** Each event ticket reseller must provide the following information to the Vermont Secretary of State at the time of registration
 - Full legal name, any aliases, or usernames used for ticket resale
 - Contact information including a physical street address, email address, and phone number
 - Employer identification number (EIN), if applicable, and the contact details of any employer
 - Bonding requirement of \$10-\$20K if you sell over 1,000 tickets/year
 - All associated entities or subsidiaries involved in ticket resale
- **Consumer education campaign:** Vermont Arts Council, Vermont Secretary of State, and Vermont Attorney General's offices will undertake a consumer education campaign in partnership with venues, funded in part by Event Reseller Registration fees.

WHY: Vermont consumers deserve to know if they are buying directly from the venue or from a reseller. Providing contact information allows for venues to contact resellers in the event of incorrect information.

Commented [SE1]: Waiting to hear confirmation from Sect. of State's Office

Enforcement

Treats violations as unfair trade practices under existing Vermont law, penalties up to \$10,000/violation. The Attorney General shall have the same authority under this subchapter to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under chapter 63 of this title.

Definitions

- (1) "**Resale**" means the second or subsequent sale of a ticket by any method, including but not limited to in-person transactions, telephone, mail, email, facsimile, or electronic means through websites or mobile apps.
- (2) "**Reseller**" means a person engaged in the resale of tickets.
- (3) "**Primary Ticket Seller**" means, with respect to an event ticket, any person who has the right to sell the event ticket prior to or at the primary sale of the ticket, including the event organizer, or any person that provides services to conduct or facilitate the primary sale of event tickets by or on behalf of the event organizer.
- (4) "**Secondary Ticket Exchange**" means an electronic marketplace enabling the sale, purchase, and resale of tickets.
- (5) "**Speculative Ticket**" means a ticket not in the actual or constructive possession of the reseller at the time of listing, sale, or advertisement. This includes tickets not owned by the reseller or under contract to be transferred to the reseller at the time of sale.
- (6) "**Ticket**" means any form of physical, electronic, or other evidence that grants the possessor of the evidence license to enter a place of entertainment for one or more events at a specified date and time.
- (7) "**Ticket Issuer**" refers to a person or entity that issues tickets for initial sale, including musicians, venues, promoters, theater companies, marketplaces for initial purchases, or their agents.