

Date of Hearing:

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, AND TOURISM

Christopher M. Ward, Chair

AB 1349 (Bryan) – As Introduced February 21, 2025

SUBJECT: Consumer protection: ticket sellers

SUMMARY: This bill would revise and recast California’s entertainment ticket statutes, particularly as it pertains to reselling tickets.

Specifically, **this bill:**

1) Defines the following terms:

- a) “Artist” means an actor rendering services on the stage, musical artist, musical organization, or other performing artist rendering professional services in theatrical and other live entertainment enterprises.
- b) “Consumer” means a natural person or persons who purchases tickets to an entertainment event with the purpose of attending that event.
- c) “Entertainment venue” means a publicly or privately owned place that holds live entertainment events, including, but not limited to, an arena, auditorium, concert hall, live performance venue, racetrack, stadium, theater, or other place where entertainment events are presented for a price of admission.
- d) “Event presenter” means the person or organization that is responsible for a sporting, musical, theatre, or other entertainment event for which tickets are sold, including the holder of the rights to the sporting, musical, theatre, or other entertainment event, or their authorized agent.
- e) “Face Price” means the price established by the event presenter, rights holder, or venue operator prior to the original sale of a ticket, exclusive of any fees or charges.
- f) “Live entertainment event” means a scheduled live performance at a specific date, time, and location, including, but not limited to, a theatrical or operatic performance, concert, or sporting event, including, but not limited to, football, basketball, baseball, boxing, tennis, hockey, or any other sport.
- g) “Original seller” means a person who, for compensation, commission, or otherwise, advertises, lists, markets for sale, or sells an admission ticket to a sporting, musical, theater, or other entertainment event for original sale as instructed by an event presenter or venue operator.
- h) “Premium seat license” means a license that entitles the holder to purchase tickets for a designated seat in a venue for multiple events, which include music shows in addition to nonmusic shows, over a period of time that is at least one year.
- i) “Professional athletic team” means any entity that has all of the following characteristics:

- (1) It employs concurrently during the taxable year five or more persons, who are compensated for being participating members of an athletic team engaging in public contests.
 - (2) Is a member of a league composed of at least five entities that are engaged in the operation of an athletic team and that are located in this and other states, or in other countries.
 - (3) Has total minimum paid attendance in the aggregate for all contests wherever played during the taxable year of 40,000 persons.
 - (4) Has minimum gross income in the taxable year of one hundred thousand dollars (\$100,000).
 - (5) Does not participate in college athletics.
- j) “Rights holder” means an artist, performing arts organization, theater or dance company, a professional sports team, professional sports league, author, lecturer, or any other persons who are the primary speakers or performers at an event for which tickets are sold.
- k) “Ticket” means a license, issued by the venue operator, for admission to the place of entertainment at the date and time specified on the ticket.
- l) “Ticket resale marketplace,” means an entity that, for compensation, commission, or otherwise, advertises, lists, markets for sale, processes payments for, facilitates the resale of, or resells an admission ticket for, a sporting, musical, theater, or other live entertainment event.
- m) “Ticket reseller” means a person who for compensation, commission, or otherwise, advertises, lists, markets for sale, or sells an admission ticket to a sporting, musical, theater, or other entertainment event other than a ticket for original sale sold by an original seller.
- n) “Venue operator” means any person who owns, operates, manages, or controls an entertainment venue.
- 2) Requires original sellers, ticket resellers, and ticket resale marketplaces to be registered and duly licensed, as may be required by any local jurisdiction.
 - 3) Eliminates the requirement that a ticket seller have a permanent business address from which tickets may only be sold and that the address be included in any advertisement or solicitation.
 - 4) Specifies that each ticket sold or offered for sale in violation of this chapter will constitute a separate violation which may be brought only by the Attorney General, a district attorney, a city attorney, a county council, or a city prosecutor, and requires the court to impose a civil penalty of not more than \$10,000 for each violation of the law, along with awarding the prevailing prosecutor reasonable costs and attorney fees.
 - 5) Requires an original seller or ticket reseller to own, possess, or have a contractual right to a ticket before listing, marketing, or selling the ticket.
 - 6) Requires an original seller or ticket reseller at the time of listing or marketing a ticket to disclose to the consumer the exact location of the seat in the entertainment venue, unless the ticket is not associated with occupying a specific seat in the venue, such as general admission

or standing room only tickets. Exemptions are provided for flexible ticketing options that allow attendees to commit to a number of performances in advance while choosing the specific performances at a later date, and for season tickets that are purchased as a package and are not individually priced.

- 7) Eliminates the exemption in current law that allows a ticket seller to market, advertise or sell a ticket if they inform the purchaser orally at the time of contract or receipt of consideration, and within two business days, that the seller does not have possession of the ticket, a contract to obtain the ticket and may not be able to obtain the ticket.
- 8) Requires ticket resale marketplaces, before accepting a listing to sell a ticket, to require that the person listing the ticket has a right to sell the ticket and is able to deliver it to the consumer.
- 9) States that by allowing a ticket to be posted for resale on its website, a ticket resale marketplace is confirming that the ticket is being sold in compliance with all applicable state laws.
- 10) Requires a ticket resale marketplace to disclose on its internet website in each ticket listing the exact location of the seat in the entertainment venue, unless the ticket is not associated with occupying a specific seat, such as general admission or standing room only tickets.
- 11) Repeals a provision of existing law that states that certain ticketing laws do not apply to any primary contractor or seller of tickets for the primary contractor operating under a written contract with the primary contractor, with “primary contractor,” defined as the person or organization who is responsible for the event for which tickets are being sold.
- 12) Prohibits a ticket reseller from using an internet website, or causing an internet website to be used, that displays a trademarked or copyrighted URL, title, designation, image, mark, or other symbol without the written consent of the trademark or copyright holder, or any combination of text, images, web designs, or internet addresses that is substantially similar to the internet website of an event presenter or original seller, or any of their authorized agents, without the written consent of the event presenter or original seller.
- 13) Prohibits a ticket reseller from representing that a live entertainment event is sold out or use the term “sold out” when tickets are still available on the original seller’s website.
- 14) Prohibits a person from intentionally using, causing to be used, or selling software or services that do any of the following:
 - a) Purchase tickets in excess of posted limits for an online event ticket sale.
 - b) Circumvent or disable an electronic queue, waiting period, presale code, or other sales volume limitation system associated with an online event ticket sale.
 - c) Circumvent or disable a security measure, access control system, or other control or measure that is used to facilitate authorized entry into an event.
 - d) Purchase tickets in violation of the combined event presenter’s, rightsholder’s, and venue operator’s posted terms and conditions.

- e) Utilize multiple Internet Protocol addresses, multiple purchaser accounts, or multiple email addresses to purchase tickets in excess of posted ticket limits.
- 15) Requires the person who sold or facilitated the sale of the ticket to a consumer, whether an original seller, event presenter, ticket reseller, or ticket resale marketplace, to provide a refund for a canceled event within 30 calendar days of the cancellation. For postponed or rescheduled events, consumers are required to be given the option to receive a refund or a credit.

EXISTING LAW:

- 1) Defines a “ticket seller” as any person who for compensation, commission, or otherwise sells admission tickets to sporting, musical, theatre, or any other entertainment event. (Bus. & Prof. Code § 22503.)
- 2) Clarifies that the following are not ticket sellers for purposes of existing law:
 - a) An officially appointed agent of an air carrier, ocean carrier, or motor coach carrier who purchases or sells tickets in conjunction with a tour package.
 - b) Any person who sells six tickets or less to any one single event, provided the tickets are sold off the event premises, including, but not limited to, designated parking areas and points of entry to the event.
 - c) The person or organization responsible for the event for which tickets are being sold, or a seller of tickets operating under a written contract with this person or organization.
 - d) Any nonprofit charitable tax-exempt organization selling tickets to an event sponsored by the organization. (Bus. & Prof. Code §§ 22503.5, 22503.6, 22504, 22511.)
- 3) Requires that ticket sellers:
 - a) Maintain records of ticket sales, deposits, and refunds. (Bus. & Prof. Code § 22501.)
 - b) Prior to sale, disclose to the purchaser by means of description or a map the location of the seat or seats represented by the ticket or tickets. (Bus. & Prof. Code § 22502.)
 - c) Make any partial or full deposit refundable if received on a future event for which tickets are not available, except for a service charge of not more than 10 percent, until such time as tickets for the event are actually available. (Bus. & Prof. Code § 22506.)
 - d) Provide a refund within 30 days for the ticket price of an event that is canceled. (Bus. & Prof. Code § 22507(a).)
 - e) Provide a refund, upon request, within 30 days, for the ticket price of an event which is postponed, rescheduled, or replaced with another event at the same date and time. (Bus. & Prof. Code § 22507(b).)
 - f) Provide that a local jurisdiction may require a bond of not more than \$50,000 to cover required refunds. (Bus. & Prof. Code § 22507(d).)

- g) Disclose that a service charge is imposed by the ticket seller and is added to the actual ticket price by the seller in any advertisement or promotion for any event by the ticket seller. (Bus. & Prof. Code § 22508.)
- 4) Prohibits a ticket seller from contracting to sell or accepting payment for tickets unless the ticket seller:
 - a) Has lawful possession of the ticket;
 - b) Has a contractual right to obtain the ticket; or
 - c) Informs the purchaser, in a specified manner, that it does not have possession of the ticket, has no contract to obtain the offered ticket, and may not be able to supply the ticket at the contracted price. (Bus. & Prof. Code § 22502.1.)
- 5) Authorizes a ticket seller to accept a deposit from a prospective purchaser as part of an agreement that the ticket seller will make best efforts to obtain a ticket at a specified price or price range and within a specified time, provided that the ticket seller informs the purchaser, in a specified manner, of the terms of the deposit agreement and makes required disclosures. (Bus. & Prof. Code § 22502.1.)
- 6) Prohibits a ticket seller from representing that it can deliver or cause to be delivered a ticket at a specific price or within a specific price range and fail to deliver the ticket a) within a reasonable time and b) below or within the price and range of prices stated. (Bus. & Prof. Code § 22502.2.)
- 7) Provides a private right of action to ticket purchasers for violations of 5) and 6). (Bus. & Prof. Code § 22502.3.)
- 8) Declares it unlawful for a person to intentionally use or sell software or services to circumvent a security measure, access control system, or other control or measure (including limits on the number of tickets a person can purchase) that is used to ensure an equitable ticket buying process for event attendees. (Bus. & Prof. Code § 22502.5.)
- 9) Deems a violation of the chapter of the Business and Professions Code containing the provisions above to be a misdemeanor. (Bus. & Prof. Code § 22505.)
- 10) Requires a ticket seller to have a permanent business address from which tickets may only be sold and that the address be included in any advertisement or solicitation. Makes a violation of this requirement a misdemeanor punishable by imprisonment or a fine not exceeding \$2,500 or by both, and provides for civil penalties of up to \$2,500 for violations. (Bus. & Prof. Code § 22500.)

FISCAL EFFECT: Unknown. This measure has been keyed fiscal by the Legislative Counsel.

COMMENTS:

- 1) Author's statement. According to the author, "Secondary market resellers frequently deceive fans by listing and selling tickets to events that do not currently exist, or that they do not have a license to sell. This process is known as speculative ticketing. Fans buy these tickets; often for a predatory mark up. This practice is inherently anti-consumer and directly counter to the

wishes of creatives and artists who seek to provide their fan base with a world-class show at an affordable price.

“AB 1349 will prohibit speculative ticketing by requiring ticket sellers to own, possess, or have the contractual right to sell tickets before listing them. This will protect the integrity of the ticket buying process for consumers, and ensure that the hard work of artists and creatives is not unjustly used to gouge their core fan base.”

- 2) Background. In 2010, the Justice Department approved a merger between Ticketmaster and Live Nation Entertainment. Live Nation is a massive events promoter and venue operator, and Ticketmaster is widely recognized as a gigantic entity in ticket sales. Combined they control an estimate of 60 to 80 percent of the ticketing and live event venues market. The conditions of this merger included provision stipulating that Ticketmaster divest one of its ticket divisions and license its software to a competitor, and be subject for 10 years to tough anti-retaliation provisions to prevent abuse of its power over concert tours, artist management, ticketing, and theaters. While originally the Justice Department determined that the merger was anticompetitive, these terms alleviated its concerns. However, many consumer advocates, politicians, and independent concert promoters were not in favor of the merger. In July 2010, 50 members of the House of Representatives sent a letter urging the Justice Department to oppose the deal.

Ticketmaster and Live Nation argued that by merging they would be able to reduce inefficiencies in the marketing and presentation of live events, which would help to revive the ailing music industry and ultimately benefit consumers. The lack of healthy competition in the primary market is a concern for consumer advocates, who claim that the near-monopoly power has created concerns among many that Live Nation will retaliate if venues go with a ticketing company other than their Ticketmaster operation, and in many cases exclusivity agreements, that can last 3-7 years, require Ticketmaster to be used.

On Tuesday, January 24, 2023, the U.S. Senate Judiciary Committee had a hearing on this issue, focusing specifically on Live Nation and Ticketmaster’s 2010 merger. U.S. Senators questioned Live Nation and raised potential solutions to the problems above, including non-exclusivity of contracts between venues and ticketing agents, in addition to placing price caps on tickets and working more closely with the Federal Trade Commission to stop speculative ticket sales.

Of note, in January 2017, Ireland’s Competition and Consumer Protection Commission (CCPC) launched an investigation into Ticketmaster Ireland. The CCPC concluded that, “Ticketmaster Ireland may have abused a dominant position in the market by entering into long term exclusive contracts with contractual partners and that these contracts may have restricted competition in the market.” In November 2020, Ticketmaster Ireland entered into an agreement with CCPC to remove exclusivity clauses from contracts with venues over the supply of ticketing services.

- 3) Live event ticketing. Tickets purchased online are typically found on either primary ticket seller websites or on the secondary market. Primary ticket sellers, including Ticketmaster and AXS, work with event organizers to control ticket prices, and share revenue between the artists and the venue operators. The prices set in the primary market heavily affect the volume and value of tickets in the secondary market. Although the cost of tickets can

fluctuate through dynamic pricing, tickets generally sell on the primary market with a face value that is below their market value. The number of tickets available is of necessity limited to the capacity of the venue, and of course are subject to sell outs.

The secondary market is where tickets purchased on the primary market are resold. Ticket prices are usually significantly higher when purchased from someone in the secondary market, especially for high demand or sold out concerts and sports games, as was seen last year for tickets to see Taylor Swift, Beyoncé, or the Sacramento Kings' playoff games. Secondary market platforms not only serve as a way for consumers who are unable to use their tickets to have a relatively simple way of recouping their money, and potentially making a profit, by reselling them to someone else, they also are utilized by professional ticket brokers. These brokers operate as a business that purchases event tickets solely for the purpose of reselling them to maximize profit.

The platforms, for a fee, simply provide the infrastructure and technology that make up the marketplace for brokers and individuals to resell their tickets. Professional ticket brokers either enter into agreements with sports teams and promoters to have access to tickets for resale, or they compete with consumers in the primary marketplace, to purchase tickets that they intend to resell at a profit on the platforms. These secondary market platforms include StubHub, Vivid Seats, TickPicks, and SeatGeek, as well as resale platforms run by Ticketmaster and AXS.

According to a 2018 report by the United States Government Accountability Office (GAO), ticket brokers are dominating the resale marketplaces. They have a competitive advantage over individual consumers because they have the technology and resources to purchase large numbers of tickets as soon as they go on sale. Some consumer advocates, state officials, and event organizers believe that brokers unfairly use this advantage to obtain tickets from the primary market, which restricts ordinary consumers from buying tickets at face value. As a result, consumers may pay higher prices than they would if tickets were available on the primary market. In addition, some event organizers and primary ticket sellers have expressed frustration that the profits from the higher resale price are pocketed by brokers who had no role in creating or producing the event.

It is possible that brokers and others reselling tickets could list a ticket on multiple resale platforms at the same time, and choose to complete the transaction with the highest bidder. For digital ticket sales, where a paper ticket is not being mailed or delivered to the purchaser, it is unclear at what stage in the process the reseller can cancel the sale or choose to keep the ticket and offer a refund to the purchaser.

- 4) Speculative ticket sales. A speculative ticket refers to instances in which a seller offers a ticket for sale on a secondary ticket exchange before the seller has the ticket in hand. In some cases, secondary sellers may not disclose the fact that they are selling speculative tickets. These practices harm consumers who either do not receive the tickets they purchased or receive tickets that differ from the ticket or seat advertised. Even if consumers receive refunds for the ticket price, they may have already incurred nonrefundable costs to attend the event, such as travel or hotel expenses.

For over a decade, secondary resale markets have allowed the sale of tickets that sellers do not actually possess. Specifically, speculative ticket sales work as follows, according to the Center for Investigative Reporting:

Brokers advertise inventory – sometimes a specific seat, sometimes a seating area – on a resale site, often at a price significantly higher than face value. When a customer selects tickets and checks out, [the site] prompts the broker to then attempt to acquire those tickets elsewhere at a lower price. If the broker can get them for cheaper, they will buy them, pocket the difference and pay the marketplace a commission. If they can't, the broker will either have to make good on the initial offer and take a loss or renege on the sale.

Ticket brokers often refer to this practice as the equivalent of agreeing to stand in line for someone at the box office. They will buy tickets when they go on sale, so that the consumer does not have to wait in front of their computer constantly refreshing their web browser. However, the consumer is often not aware that they are buying a ticket that the seller does not possess, nor do they realize they are paying a premium price, significantly above the face value, for a ticket that they may or may not receive.

This practice creates considerable confusion for consumers who cannot purchase tickets from the primary box office because they have not gone on sale yet, but appear to be able to purchase tickets for a premium price on the secondary market. As a recent example, before the tickets for a Justin Timberlake concert scheduled for May in San Jose were officially on sale through Ticketmaster, they were advertised for sale on a number of secondary platforms. In fact, the first three websites at the top of an internet search were already selling tickets. The first website, StubHub, offered tickets for sale and nothing easily identifiable on the platform suggested that the tickets were speculative. The next website, VividSeats, indicated in the “notes” section that the tickets being purchased were a “seat saver” listing and that the purchaser will either receive the tickets or a full refund. The third website, “TicketsOffice.org” also did not advertise the tickets as speculative.

- 5) Recent news. On Monday, March 31st, President Donald Trump signed an executive order to strengthen enforcement of the Better Online Ticket Sales (BOTS) act. Under the order, the Treasury Department, Department of Justice (DOJ), and the Federal Trade Commission (FTC) will deliver a report within 180 days summarizing the actions taken to address the issue of unfair practices in live concert and entertainment industry and will recommend additional regulations or legislation needed to protect consumers.
- 6) Arguments in support. According to the Music Artists Coalition (MAC) in support, “MAC represents the interests of music creators in policy discussions that shape their careers and livelihoods. Our organization works across a range of issues to ensure artists have a voice at the table with issues that impact their careers, livelihoods, and legacies. As artists pour their heart and soul into creating meaningful live experiences for fans, they deserve fair and transparent ticketing practices. This legislation represents an important step toward protecting both artists and consumers from predatory Ticketing practices.

“We particularly support this bill's provisions banning speculative ticket sales. Speculative ticketing allows resellers to list tickets they don't actually possess, which leads to price inflation, potential fraud, and disrupts the artist-fan relationship. The bill's requirement that

ticket sellers must own, possess, or have contractual rights to sell tickets before listing them is crucial to maintaining marketplace integrity and consumer protections.”

- 7) Arguments in opposition. According to SeatGeek and TickPick in opposition, “When resale marketplaces are not allowed to compete for fans’ business – as they effectively would be by this proposed legislation – the market loses an important price discovery mechanism, including when resale prices fall below face value, a regular occurrence that venues and promoters are often eager to hide from ticket purchasers. Consumers have grown accustomed to accessing tickets in the manner and at the time of their choosing, such as shortly before or the same day of a show or game, which is often when demand declines and lower-priced tickets proliferate.

By sanctifying into law the event providers’ dictated terms and conditions with respect to resale, AB 1349 unfortunately will place limits not just on ticket resale platforms but also on the many California consumers who use these marketplaces every day. Consumers will foot the bill in the form of inconvenience, lack of choice, lack of control over tickets they purchased, and an overall worse purchasing experience. For this reason, states as diverse as New York, Colorado, Illinois, Connecticut, Virginia and Utah have enacted laws providing more protections for consumers to resell tickets on their platform of choice.”

- 8) Triple-referral. Should the bill pass from this committee, it will be re-referred to the Assembly Committee on Privacy and Consumer Protection, followed by the Assembly Committee on Judiciary.
- 9) Amendments and policy considerations. The intention of this bill is to address issues experienced with the sale and purchase of tickets to live entertainment events including concerts and professional sports. However, as defined, an entertainment venue may unintentionally include tickets for admission to amusement parks and fairgrounds. Due to this committee’s jurisdiction over these types of tourism venues, we are asking the author to accept amendments excluding them from the definition of “entertainment venue.”
- 10) Prior and related legislation:
- a) AB 1291 (Lee), of 2025, would increase fines for licensing violations by ticket sellers. The bill is currently with the Assembly’s Committee on Arts, Entertainment, Sports, and Tourism.
 - b) AB 2203 (McCarty), of 2024, would have required ticket sellers that sell admission tickets to sporting, musical, theater, or any other entertainment event, to immediately deliver a proof of purchase to a consumer, and would require a venue operator to honor that proof of purchase in lieu of the ticket if specified conditions are met. Died in the Senate Committee on Business, Professions, and Economic Development.
 - c) AB 2808 (Wicks) of 2024, would have prohibited certain entertainment venue operators from entering into an exclusive contract with a primary ticket seller, among other requirements. Died in the Assembly Committee on Appropriations.
 - d) AB 8 (Friedman), of 2023, would have required a ticket seller to disclose to a purchaser the total price of the ticket and the portion of that price that represents any fees or surcharges. The seller would have also been required to provide a link to an internet web

page that includes certain refund requirements, as specified. Died in the Senate Committee on Appropriations.

- e) SB 478 (Dodd), Chapter 400, Statutes of 2023, made it an unlawful business practice pursuant to the Consumer Legal Remedies Act to advertise, display, or offer a price for a good or service that does not include all mandatory fees or charges other than taxes imposed by a government.
- f) SB 785 (Caballero), of 2023, would have updated laws regulating ticket sales by establishing new categories of ticket sellers, establishing requirements for different categories of ticket sellers, and increasing penalties for violations of rules governing ticket seller operations. Died on Assembly Third Reading.
- g) SB 829 (Wilk, 2023), would have prohibited the operator of an entertainment facility and a primary ticket seller from entering into a contract that provides for the primary ticket seller to be the exclusive ticket seller for the operator of the entertainment facility. Died in the Assembly Committee on Arts, Entertainment, Sports, and Tourism.
- h) AB 1556 (Friedman), Chapter 180, Statutes of 2021, requires, for cancelled events, that a refund be made within 30 calendar days of the cancellation. Requires a ticket price at any event which is postponed, rescheduled, or replaced with another event at the same date and time be fully refunded to the purchaser by the ticket seller upon request within 30 calendar days of the refund request.
- i) AB 1032 (Quirk) Chapter 105, Statutes. 2019) bolstered anti-bot provisions enacted by AB 329, described below, by clarifying that “a control or measure used to ensure an equitable ticket buying process” includes limits on the number of tickets that a person can purchase.
- j) SB 1001 (Hertzberg), Chapter 892, Statutes of 2018, prohibits a person from using of a bot to communicate or interact with another person in California online with intent to mislead the other person about its artificial identity for the purpose of knowingly deceiving the person about the content of the communication in order to incentivize a purchase or sale of goods or services in a commercial transaction or to influence a vote in an election.
- k) AB 329 (Pan), Chapter 325, Statutes of 2013, made it a misdemeanor to intentionally use or sell software to circumvent a security measure, access control system, or other control or measure on a ticket seller’s Internet Web site that is used to ensure an equitable ticket buying process.

REGISTERED SUPPORT / OPPOSITION:

Support

Cafe du Nord/Swedish American Hall
HopMonk Tavern
Music Artists Coalition
National Independent Venue Association of California

Opposition

Coalition for Ticket Fairness

SeatGeek

StubHub, Inc.

TickPick

Vivid Seats, LLC

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