

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SEVENTH
SESSION**

HOUSE FILE No. 657

February 24, 2011

Authored by Hoppe, Atkins, Sanders, Davids and Garofalo

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to commerce; regulating certain practices with respect to event tickets;
1.3 establishing minimum standards for consumer protection; proposing coding for
1.4 new law in Minnesota Statutes, chapter 325E; repealing Minnesota Statutes
1.5 2010, section 609.807.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **[325E.68] DEFINITIONS.**

1.8 Subdivision 1. **Terms.** For purposes of sections 325E.68 to 325E.72, the terms
1.9 defined in this section have the meanings given.

1.10 Subd. 2. **Event.** "Event" means a concert, theatrical performance, sporting event,
1.11 exhibition, show, or similar scheduled activity taking place in this state:

1.12 (1) that is open to the general public;

1.13 (2) for which an admission fee is charged; and

1.14 (3) that is held in a venue accommodating more than 1,000 persons.

1.15 Subd. 3. **Event ticket.** "Event ticket" means the physical, electronic, or other form
1.16 of a certificate, document, voucher, token, or other evidence indicating that the bearer,
1.17 possessor, or person entitled to possession through purchase or otherwise has:

1.18 (1) a revocable or irrevocable right, privilege, or license to enter an event venue or
1.19 occupy a particular seat or area in an event venue with respect to one or more events; or

1.20 (2) an entitlement to purchase a right, privilege, or license with respect to one or
1.21 more future events.

1.22 Subd. 4. **Resale.** "Resale" includes a form of transfer or alienation, or offering for
1.23 transfer or alienation, or possession or entitlement to possession of an event ticket from
1.24 one person to another, with or without consideration, whether in person or by means of

2.1 telephone, mail, delivery service, facsimile, Internet, e-mail, or other electronic means.

2.2 Resale does not include the initial sale of an event ticket by the ticket issuer.

2.3 Subd. 5. **Ticket issuer.** "Ticket issuer" means a person that makes event tickets
2.4 available, directly or indirectly, to the general public, and may include the operator of a
2.5 venue, the sponsor or promoter of an event, a sports team participating in an event or a
2.6 league whose teams are participating in an event, a theater company, musical group, or
2.7 similar participant in an event, or an agent of any such person.

2.8 Subd. 6. **Venue.** "Venue" means the theater, stadium, field, hall, or other facility
2.9 where an event takes place.

2.10 **Sec. 2. [325E.69] PUBLIC NOTICE OBLIGATIONS OF TICKET ISSUERS.**

2.11 Subdivision 1. **Requirement of advance public notice.** A ticket issuer, or its
2.12 authorized agent, shall provide advance public notice of its ticket policies for each event
2.13 subject to sections 325E.68 to 325E.72. The notice must include at least the following
2.14 information:

2.15 (1) identification of the specific event, including date, time, and location;

2.16 (2) the total number of event tickets to be issued for the event, whether by public sale
2.17 or otherwise, and the number of tickets for every class, tier, or level of admission offered;

2.18 (3) the total number of event tickets to the event that will be made available for
2.19 purchase by members of the general public as public sale tickets subject to this section and
2.20 the number of tickets for every class, tier, or level of admission offered;

2.21 (4) the established price for each class, tier, or level of admission offered, which will
2.22 be designated as public sale tickets, including the amount of any premium, service charge,
2.23 or other fee applicable to the sale of the ticket;

2.24 (5) the "on-sale date and time," which is the date and time on which public sale
2.25 tickets will first be made available for sale to the general public; and

2.26 (6) a complete list of the outlets at which public sale tickets will be made available
2.27 for sale to the general public on the date and at the time specified, including a list of all
2.28 Web sites at which tickets will be made available.

2.29 The notice required by this subdivision may be posted on the ticket issuer's Web site
2.30 or given in any other commercially reasonable manner.

2.31 Subd. 2. **Marking of public sale tickets.** The ticket issuer, or its authorized agent,
2.32 shall cause an event ticket designated as a public sale ticket, in accordance with this
2.33 subdivision, to be marked conspicuously with at least the following information which
2.34 must be consistent in all material respects with the information provided in the public
2.35 notice applicable to that event:

3.1 (1) the total number of public sale tickets that have been designated for that class,
3.2 tier, or level of admission for the event in question;

3.3 (2) the sequential number of that individual ticket within the total number specified
3.4 in clause (1);

3.5 (3) the price at which the ticket has been sold by the ticket issuer or its authorized
3.6 agent, including any premium, service charge, or fee; and

3.7 (4) the on-sale date and time of the ticket.

3.8 Subd. 3. **Prohibitions.** In addition to the failure to comply with any other provision
3.9 of this section, it is unlawful for a ticket issuer to knowingly make material false or
3.10 misleading statements in connection with a public notice under this section.

3.11 **Sec. 3. [325E.70] FREE MARKET IN REALE OF EVENT TICKETS.**

3.12 Subdivision 1. **Prohibition.** It is unlawful for a ticket issuer to prohibit or restrict
3.13 the resale or offering for resale of an event ticket by a lawful possessor of the ticket.

3.14 Subd. 2. **Prohibited acts.** Ticket issuers are prohibited from engaging in the
3.15 following acts:

3.16 (1) purporting to impose license or contractual terms on the initial sale of event
3.17 tickets including, but not limited to, terms printed on the back of a physical ticket that
3.18 prohibit resale of the ticket, or that restrict the price or other terms and conditions under
3.19 which a ticket may be resold;

3.20 (2) requiring the purchaser of a ticket, whether for a single event or for a series or
3.21 season of events, to agree not to resell the ticket, or to resell the ticket only through a
3.22 specific channel approved by the ticket issuer;

3.23 (3) bringing legal action, based on an unlawful prohibition or restriction on resale of
3.24 an event ticket, against:

3.25 (i) a purchaser who resells or offers to resell an event ticket without permission of
3.26 the ticket issuer, or in violation of a restriction purportedly imposed by the ticket issuer;

3.27 (ii) persons who facilitate or provide services for the resale of event tickets without
3.28 permission or in alleged violation of a restriction; or

3.29 (iii) the operator of a physical or electronic marketplace in which a ticket is offered
3.30 for resale without permission or in alleged violation of a restriction;

3.31 (4) imposing a penalty on a ticket purchaser who resells or offers to resell an event
3.32 ticket without permission or in violation of a restriction purportedly imposed by the ticket
3.33 issuer, or treating a purchaser in any material way less favorably than a similarly situated
3.34 purchaser who does not resell or offer to resell an event ticket, or who complies with
3.35 resale restrictions purportedly imposed by the ticket issuer;

4.1 (5) employing technological means for the purpose or with the foreseeable effect
4.2 of prohibiting or restricting the resale of event tickets including, but not limited to,
4.3 issuing event tickets in an electronic form that is not readily transferrable to a subsequent
4.4 purchaser, or conditioning entry into the venue on presentation of a token, such as the
4.5 original purchaser's credit card or state-issued identification card, that cannot be readily
4.6 transferred to a subsequent purchaser; or

4.7 (6) seeking to limit or restrict the price, or to impose a minimum or maximum
4.8 price, at which an event ticket may be resold.

4.9 **Sec. 4. [325E.71] CONSUMER PROTECTION MINIMUM STANDARDS.**

4.10 Subdivision 1. **Prohibition.** It is unlawful for a person subject to this section to
4.11 engage in the primary or secondary market for event ticket sales as a trade or business
4.12 without complying with the consumer protection minimum standards specified in this
4.13 section.

4.14 Subd. 2. **Persons subject to this section.** This section applies to all persons
4.15 engaged in the trade or business of:

4.16 (1) acting as a ticket issuer;

4.17 (2) engaging in the resale of event tickets; or

4.18 (3) providing a physical or electronic marketplace for the sale or resale of event
4.19 tickets by other persons.

4.20 Subd. 3. **Consumer protection minimum standards.** A person subject to this
4.21 section shall:

4.22 (a) maintain a toll-free telephone number for complaints and inquiries regarding its
4.23 activities in the sale or resale of event tickets;

4.24 (b) implement and reasonably publicize a standard refund policy that:

4.25 (1) provides a consumer who purchases an event ticket a full refund if:

4.26 (i) the event is canceled before the scheduled occurrence of the event and is not
4.27 rescheduled;

4.28 (ii) the event ticket received by the purchaser is counterfeit;

4.29 (iii) the event ticket has been canceled by the ticket issuer for nonpayment by the
4.30 original purchaser or for any reason other than an act or omission of the consumer;

4.31 (iv) the event ticket materially and to the detriment of the consumer fails to conform
4.32 to the description provided by the seller or reseller; or

4.33 (v) the event ticket was not delivered to the consumer before the occurrence of the
4.34 event unless failure of delivery was due to an act or omission of the consumer;

5.1 (2) includes a full refund of the full price paid by the consumer for the event ticket
5.2 together with any fees charged in connection with that purchase including, but not limited
5.3 to, convenience fees, processing fees, at-home printing charges, shipping and handling
5.4 charges, or delivery fees; and

5.5 (3) may condition entitlement to a refund upon timely return of the ticket purchased
5.6 and may include reasonable safeguards against abuse of the policy; and

5.7 (c) make available to consumers who purchase event tickets an independent
5.8 third-party dispute resolution procedure for resolving disputes with consumers regarding
5.9 the sale or resale of event tickets.

5.10 A person subject to this section, by engaging in the resale of event tickets, may
5.11 satisfy the requirements of this section by engaging in resale in a physical or electronic
5.12 marketplace that fully complies with this section.

5.13 **Sec. 5. [325E.72] ENFORCEMENT.**

5.14 The attorney general shall enforce sections 325E.68 to 325E.72 under section 8.31.

5.15 **Sec. 6. REPEALER.**

5.16 Minnesota Statutes 2010, section 609.807, is repealed.

5.17 **Sec. 7. EFFECTIVE DATE.**

5.18 Sections 1 to 6 are effective January 1, 2012.

609.807 EVENT TICKETS; PROHIBITED ACTS.

(a) As used in this section: (1) "initial seller" means a person or entity with whom a provider of an event or venue has contracted for the sale of tickets for the purpose of the initial sale of those tickets to the general public; and (2) "ticket" means a ticket of admission to a sporting event, theater, musical performance, or place of public entertainment or amusement of any kind.

(b) The initial seller of tickets shall make available for sale all tickets under control of the initial seller in the manner and under terms directed by the provider of the event or venue. The initial seller shall not, unless authorized by the provider of the event or venue, divert tickets from the initial sale to the general public to be sold in any other manner or under any other terms.

(c) No person or entity, with intent to defraud, may sell or offer for sale a ticket that is invalid, counterfeit, altered, or otherwise not genuine.

(d) A violation of this section is a misdemeanor.