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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH
SESSION

HOUSE FILE No. **657**

February 24, 2011

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

March 16, 2011

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to commerce; regulating certain practices with respect to event tickets;
1.3 proposing coding for new law in Minnesota Statutes, chapter 325E.

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

1.5 Section 1. [325E.68] DEFINITIONS.

1.6 Subdivision 1. **Terms.** For purposes of this section and section 325E.69, the terms
1.7 defined in this section have the meanings given.

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

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

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

1.12 (3) that is held in a venue accommodating more than 1,000 persons, including
1.13 but not limited to those venues for which public funding has been provided for the
1.14 construction, maintenance, or operation of the venue or any infrastructure related to it, or
1.15 which is located on property owned by a municipality or other government entity.

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

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

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

1.23 Subd. 4. **Resale.** "Resale" includes a form of transfer or alienation, or offering for
1.24 transfer or alienation, or possession or entitlement to possession of an event ticket from

2.1 one person to another, with or without consideration, whether in person or by means of
2.2 telephone, mail, delivery service, facsimile, Internet, e-mail, or other electronic means.
2.3 Resale does not include the initial sale of an event ticket by the ticket issuer.

2.4 Subd. 5. **Ticket issuer.** "Ticket issuer" means a person that makes event tickets
2.5 available, directly or indirectly, for initial sale to the general public, and may include the
2.6 operator of a venue, the sponsor or promoter of an event, a sports team participating in an
2.7 event or a league whose teams are participating in an event, a theater company, musical
2.8 group, or similar participant in an event, or an agent of any such person. A ticket issuer
2.9 does not include a person involved in or facilitating ticket resale.

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

2.12 **Sec. 2. [325E.69] FREE MARKET IN RE SALE OF EVENT TICKETS.**

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

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

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

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

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

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

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

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

2.32 (4) imposing a penalty on a ticket purchaser who resells or offers to resell an event
2.33 ticket without permission or in violation of a restriction purportedly imposed by the ticket
2.34 issuer, or treating a purchaser in any material way less favorably than a similarly situated

3.1 purchaser who does not resell or offer to resell an event ticket, or who complies with
3.2 resale restrictions purportedly imposed by the ticket issuer;

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

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

3.11 **Sec. 3. EFFECTIVE DATE.**

3.12 Sections 1 and 2 are effective August 1, 2011.