

CONCURRENCE IN SENATE AMENDMENTS

AB 1556 (Friedman)

As Amended July 7, 2021

Majority vote

SUMMARY

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.

Major provisions

- 1) Requires, for cancelled events, that a refund of the ticket price be made within 30 calendar days of the cancellation.
- 2) Requires a ticket price at an 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.
- 3) Defines a "rescheduled event" to include a canceled occurrence of a recurring event for which the purchaser is offered the opportunity to attend another, materially identical occurrence of the same event at a different date or time.
- 4) Provides that no reimbursement is required for this act pursuant to California Constitution Article XIII B, Section 6.

Senate Amendments

Removed a provision in this bill which would have required a ticket seller to disclose whether tickets are non-transferrable to a third party, and made technical nonsubstantive changes.

COMMENTS

In an attempt to support ticket purchasers who have not received refunds over the past year and as a best practice moving forward, this bill would require, for cancelled events, that a refund be made within thirty calendar days of the cancellation. It also would require 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 thirty calendar days of the refund request.

Please see the policy analysis for a complete discussion of this measure.

According to the Author

According to the Author, "The COVID-19 pandemic has resulted in a massive number of unforeseen cancellations of live events. In March 2020 when the pandemic hit, Billboard magazine estimated that consumers spent nearly \$3.5 billion on tickets in the U.S. for concerts and festivals scheduled for the summer of 2020. These mass cancellations of events led to numerous problems for ticket buyers and ticket sellers. Customers seeking refunds of previously paid fees for cancelled events put liquidity strains on the offering businesses....In addition, the

burden should not be on the customer to request their money back for a cancelled event. AB 1556 will ensure that ticket buyers will receive refunds within 30 days of cancellation without being asked to make a request first."

Arguments in Support

The Consumer Federation of California writes in support: "Over the past year, the COVID-19 pandemic has resulted in a staggering number of cancellations for live events as the world economy went into freefall and the music, arts, entertainment and sporting worlds went largely dark. These mass cancelations led to large numbers of people demanding refunds. Many ticket sellers attempted to offer substitute performances, or even quietly removed refund guarantees from their customer agreements, in an attempt to avoid refunding customers and hold onto those revenues for as long as possible. Some ticket sellers also refused to give refunds because certain events were not cancelled but instead were "postponed", often indefinitely. The net result of this was that millions of consumers were suddenly struggling to make ends meet and were unable to access refunds that were rightly theirs.

AB 1556 will put an end to these unfair practices by requiring ticket sellers to refund customers within 30 days of a cancelled event. The bill also ensures that customers can obtain a refund, upon request, if an event is postponed. Many consumers today are struggling as a result of the pandemic induced recession, and they cannot afford to wait months for a refund, or not receive one at all."

Arguments in Opposition

There is no opposition on file. The Ambassador Theater Group earlier had an "oppose unless amended" position, based on their desire for the bill to only require the originating ticket seller to initiate the refund process within 30 days of event cancellation, rather than complete the refund within 30 days, and to add clarification to the concept of "cancellation." They now believe that amendments were sufficient to address their concerns, and have withdrawn their opposition.

FISCAL COMMENTS

According to the Senate Appropriations Committee, pursuant to Rule 28.8, negligible state costs.

VOTES:

ASM ARTS, ENTERTAINMENT, SPORTS, TOURISM, AND INTERNET MEDIA: 6-0-1

YES: Quirk-Silva, Bloom, Chiu, Choi, Friedman, Nazarian

ABS, ABST OR NV: Valladares

ASM PRIVACY AND CONSUMER PROTECTION: 11-0-0

YES: Chau, Kiley, Bauer-Kahan, Bennett, Carrillo, Cunningham, Gabriel, Gallagher, Irwin, Lee, Wicks

ASM APPROPRIATIONS: 15-0-1

YES: Lorena Gonzalez, Bigelow, Calderon, Carrillo, Chau, Megan Dahle, Davies, Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Luz Rivas, Holden

ABS, ABST OR NV: Eduardo Garcia

ASSEMBLY FLOOR: 76-0-2

YES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood, Rendon

ABS, ABST OR NV: Bigelow, Flora

SENATE FLOOR: 36-0-4

YES: Allen, Archuleta, Atkins, Becker, Borgeas, Bradford, Caballero, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Melendez, Min, Newman, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Umberg, Wieckowski, Wiener, Wilk

ABS, ABST OR NV: Bates, Grove, Nielsen, Stern

UPDATED

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