

ASSEMBLY THIRD READING

AB 1349 (Bryan)

As Amended May 5, 2025

Majority vote

SUMMARY

This bill makes various changes to how a ticket seller, ticket reseller, and ticket resale marketplace may advertise, list, or sell a ticket for an entertainment event, and increases enforcement authority and civil penalties for violations of the bill's requirements.

Major Provisions

- 1) Requires original sellers, ticket resellers, and ticket resale marketplaces to be registered and duly licensed, as may be required by any local jurisdiction.
- 2) Requires an original seller or ticket reseller to have actual or constructive possession of a ticket, or have a contractual right to a ticket before listing, marketing, or selling the ticket.
- 3) Requires an original seller, ticket reseller, or ticket resale marketplace to make specified disclosures when listing, marketing, advertising, or selling a ticket, including the price of the original ticket and the location of the seat for each ticket, if applicable.
- 4) 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.
- 5) Prohibits a ticket reseller from using a website that is substantially similar to the website of an event presenter or original seller, without the written consent of the event presenter or original seller.
- 6) 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.
- 7) Prohibits a person from intentionally using, causing to be used, or selling software or services that facilitate purchasing more tickets from a primary ticket than allowed, as specified.
- 8) Specifies how a refund must be provided to a consumer for a cancelled event.
- 9) Increases, from \$2,500 to \$10,000, the maximum civil penalty for each violation of the bill's requirements.
- 10) Expands an existing private right of action to allow a consumer harmed by a violation of any of the bill's requirements to file a civil lawsuit to recover two times the contracted price of the ticket, any nonrefundable expenses incurred by the consumer for attending or attempting to attend the event, and reasonable attorney's fees and court costs.

COMMENTS

Background. 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 can be significantly higher than the original sale price when purchased from someone on the secondary market, especially for high demand or sold-out concerts and sporting events.

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 another person, 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.

Speculative Tickets. A speculative ticket refers to instances in which a seller offers a ticket for sale on the secondary market 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 air travel and hotel expenses.

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 can create considerable confusion for consumers who are unable to purchase tickets from the primary box office because they have not gone on sale yet, but appear to be available on a secondary market platform.

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."

Arguments in Support

"The Music Artists Coalition (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."

Arguments in Opposition

This bill is opposed by the Coalition for Ticket Fairness, Chamber of Progress, a number of secondary ticket sellers, and Consumer Federation of California, which believes the bill "furthers the interests of the monopoly company that currently dominates the ticketing and live entertainment industry, Live Nation/Ticketmaster, at the expense of consumers and average fans."

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 1) Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. By adding new requirements for ticket sellers, ticket resellers, and ticket resale marketplaces, this bill provides additional bases for enforcement by DOJ. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur any costs.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate civil actions and misdemeanor charges. Actual costs will depend on the number of cases filed and the amount of court time needed to

resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2024-25 state budget provides \$37.3 million ongoing General Fund to backfill declining revenue to the Trial Court Trust Fund.

- 3) Possible incarceration costs (local funds, General Fund) of an unknown but potentially significant amount. This bill expands the conduct covered by an existing misdemeanor, which is punishable by up to six months in county jail, a fine, or both jail and a fine. Actual incarceration costs will depend on the number of convictions and the length of each sentence. The average annual cost to incarcerate one person in county jail is approximately \$29,000, though costs are higher in larger counties. County incarceration costs are not subject to reimbursement by the state. However, overcrowding in county jails creates cost pressure on the General Fund because the state has historically granted new funding to counties to offset overcrowding resulting from public safety realignment.

VOTES

ASM ARTS, ENTERTAINMENT, SPORTS, AND TOURISM: 7-0-2

YES: Ward, Elhawary, McKinnor, Ortega, Quirk-Silva, Valencia, Zbur

ABS, ABST OR NV: Lackey, Jeff Gonzalez

ASM PRIVACY AND CONSUMER PROTECTION: 11-1-3

YES: Bauer-Kahan, Dixon, Bryan, Lowenthal, McKinnor, Ortega, Patterson, Pellerin, Petrie-Norris, Ward, Wicks

NO: DeMaio

ABS, ABST OR NV: Irwin, Macedo, Wilson

ASM JUDICIARY: 10-0-2

YES: Kalra, Dixon, Bryan, Connolly, Harabedian, Pacheco, Papan, Sanchez, Stefani, Zbur

ABS, ABST OR NV: Bauer-Kahan, Macedo

ASM APPROPRIATIONS: 11-1-3

YES: Wicks, Stefani, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Bauer-Kahan, Pellerin, Solache

NO: Ta

ABS, ABST OR NV: Hoover, Pacheco, Tangipa

UPDATED

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