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HOUSE BILL 1648

State of Washington

68th Legislature

2023 Regular Session

By Representative Reeves

- 1 AN ACT Relating to ticket sales; amending RCW 19.345.010 and
- 2 19.345.020; adding new sections to chapter 19.345 RCW; creating new
- 3 sections; prescribing penalties; and providing an effective date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** This act may be known and cited as the
- 6 ticket sales warrant integrity, fairness, and transparency for
- 7 consumer protection act, or TSWIFT consumer protection act.
- 8 **Sec. 2.** RCW 19.345.010 and 2015 c 129 s 2 are each amended to 9 read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 12 (1) "Admission ticket" means ((evidence of)) a <u>license conveying</u>
 13 <u>a</u> right of entry to a venue or an entertainment event.
- (2) "Affinity group" means an identifiable group of people who are members of the same organization, or who are customers of the same person, and who enjoy special privileges.
- 17 (3) "Department" means the department of licensing.
- 18 (4) "Director" means the director of the department of licensing.

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1 <u>(5)</u> "Event" means a concert, theatrical performance, sporting 2 event, exhibition, show, or other similar activity held in this 3 state.

- (((4))) <u>(6) "Face value" means the dollar value of an admission ticket, which value shall reflect the dollar amount that the customer is required to pay, and which excludes any charges, fees, and taxes.</u>
- (7) "Initial sale" means the first sale of an admission ticket by the ticket seller. "Initial sale" also includes the distribution of admission tickets under an agreement between the ticket seller and the recipient.
- ((+5))) (8) "Person" means any individual, partnership, corporation, limited liability company, other organization, or any combination thereof.
 - (((6))) <u>(9)</u> "Place of entertainment" means any privately or publicly owned or operated entertainment facility within this state, such as a theater, stadium, museum, arena, park, racetrack, or other place where concerts, theatrical performances, sporting events, exhibitions, shows, or other similar activities are held and for which an entry fee is charged.
 - (((7))) <u>(10)</u> "Presale" means a sale of admission tickets at or below the ((price printed on the ticket by)) <u>face value</u>, or with the permission of, a ticket seller, prior to their release to the general public, and which may include an initial sale.
- $((\frac{(8)}{(8)}))$ <u>(11)</u> "Promoter" means a person who organizes financing 25 and publicity for an entertainment event.
- 26 (((9))) <u>(12) "Resale" means a sale other than the initial sale or</u> 27 <u>presale of an admission ticket.</u>
 - (13) "Ticket reseller" means a state-licensed person or entity that resells or offers for resale admission tickets, including a person or entity that operates a platform or exchange to facilitate the resale or offering for resale of admission tickets between third parties, which includes platforms or exchanges operating by means of an internet website, application, phone system, or other similar technology, and who does not generally maintain their own ticket inventory. "Ticket reseller" does not include:
- 36 (a) A person who is the original purchaser for personal use of
 37 one or more admission tickets to an event covered under this chapter,
 38 including persons who are the original purchaser for personal use of
 39 season tickets to theatrical performances or sporting events; and

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- (b) Charitable organizations and their employees and volunteers when offering for sale any admission tickets in a raffle, auction, or similar fund-raising activity for the benefit of the organization's charitable purposes.
- 11 Ticket seller" means a person that makes admission tickets available, directly or indirectly, at an initial ((presale or)) sale or presale to the general public, and may include an owner or operator of a place of entertainment, a sponsor or promoter of an event, a sports team participating in an event, a fan club or affinity group, a theater company, a musical group, or similar participant in an event, or an employee or agent of any such person.
- **Sec. 3.** RCW 19.345.020 and 2015 c 129 s 3 are each amended to 13 read as follows:
 - (1) A person may not:

- (a) Use software to circumvent, thwart, interfere with, or evade a security measure, access control system, or other control or measure on a ticket seller's internet website, application, phone system, or similar technology; or
- (b) Sell software that is advertised for profit with the express purpose to circumvent, thwart, interfere with, or evade a security measure, access control system, or other control or measure on a ticket seller's internet website, application, phone system, or similar technology.
- (2) The use or sale of software as described in subsection (1) of this section only violates this section if the user or seller knows or should know that the purpose of the software is to circumvent, thwart, interfere with, or evade a security measure, access control system, or other control or measure on a ticket seller's internet website, application, phone system, or similar technology.
- (3) A person may not knowingly resell or offer to resell an admission ticket that such person knows was obtained using software to circumvent, thwart, interfere with, or evade a security measure, access control system, or other control or measure on a ticket seller's internet website, application, phone system, or similar technology, and was not obtained for the person's own use or the use of their invitees, employees, or agents.
- 37 <u>(4)</u> The legislature finds that the conduct described in 38 subsection (1) of this section vitally affects the public interest 39 for the purpose of applying the consumer protection act, chapter

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- 1 19.86 RCW. Using or selling software to circumvent, thwart, or evade
- 2 a control or measure, which is used on a ticket seller's internet
- 3 website, application, phone system, or similar technology to ensure
- 4 an equitable distribution of tickets, is not reasonable in relation
- 5 to the development and preservation of business and is an unfair or
- 6 deceptive act in trade or commerce and an unfair method of
- 7 competition for the purposes of applying the consumer protection act,
- 8 chapter 19.86 RCW.
- 9 <u>NEW SECTION.</u> **Sec. 4.** Businesses domiciled outside the state of
- 10 Washington are subject to Washington law when selling admission
- 11 tickets to events in this state, regardless of where the buyer and
- 12 seller are domiciled.
- 13 <u>NEW SECTION.</u> **Sec. 5.** (1) In order to engage in the business of
- 14 a ticket seller or ticket reseller, a person must:
- 15 (a) Apply to the department for a ticket sales license on a form
- 16 designated by the department, pay an annual license fee, and renew
- 17 the license annually. Licensing fees are as follows:
- 18 (i) \$150 if a licensee sells or resells less than 500 admission
- 19 tickets annually;
- 20 (ii) \$750 if a licensee sells or resells at least 500 but no more
- 21 than 1,000 admission tickets annually; and
- (iii) \$2,000 if the licensee sells or resells more than 1,000
- 23 admission tickets annually;
- 24 (b) Maintain a permanent public office or place of business in
- 25 this state, excluding a post office box, for the purpose of engaging
- 26 in the business of selling or reselling admission tickets, and
- 27 conspicuously display its license at all times; and
- (c) Comply with the requirements of this chapter and department
- 29 rules adopted under this chapter.
- 30 (2) A ticket sales license shall only be granted upon a written
- 31 application setting forth such information as the department may
- 32 require. The department must require applicants to disclose in their
- 33 applications whether the applicant owns, is owned by, or shares
- 34 common ownership with any other ticket seller or ticket reseller.
- 35 (3) No person may hold more than two ticket sales licenses and no
- 36 license may be transferred or assigned except upon written permission
- 37 of the department.

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- 1 (4) A ticket sales license must be renewed annually, including 2 payment of a renewal fee, and a licensee must provide the following 3 information to the department upon application for license renewal:
 - (a) The number of events that year for which the licensee sold tickets;

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- (b) The number of admission tickets the licensee sold that year;
- 7 (c) The average face value of admission tickets the licensee sold 8 that year; and
- 9 (d) The average revenue generated by the licensee's business of selling admission tickets to events in that year.
- NEW SECTION. Sec. 6. In addition to any other duties imposed by law, the director has the following powers and duties:
- 13 (1) To set license and renewal fees in accordance with RCW 43.24.086;
- 15 (2) To adopt rules necessary to implement this chapter, including 16 rules addressing penalty amounts to be imposed under section 9 of 17 this act;
- 18 (3) To prepare and administer or approve the preparation and 19 administration of licensing under this chapter;
- 20 (4) To maintain the official department record of applicants and licensees:
- 22 (5) To set license expiration dates and renewal periods for all licenses consistent with this chapter;
 - (6) To ensure that all informational notices produced and mailed by the department regarding statutory and regulatory changes affecting licensees are mailed to each licensee in good standing whose mailing address on record with the department has not resulted in mail being returned as undeliverable for any reason; and
- 29 (7) To make information available to the department of revenue to assist in collecting taxes from persons and businesses required to be licensed under this chapter.
- NEW SECTION. Sec. 7. (1) Price disclosures. Ticket sellers and ticket resellers may not sell, offer for sale, resell, or offer for resale an admission ticket, including by means of an internet website, application, phone system or other technology used to sell tickets, without disclosing to a consumer the total amount that the consumer will be charged before the consumer purchases the admission

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ticket, including any fees which represent a portion of the total amount to be charged.

- (a) The following disclosures must be made by ticket sellers and ticket resellers to a user prior to the user selecting a ticket:
 - (i) The face value price of the admission ticket; and

- (ii) The total cost of the admission ticket, including all fees, which may include, but is not limited to, a service fee, processing fee, delivery fee, facility fee, and resale fee that must be paid to purchase the admission ticket.
- (b) Disclosures of subtotals, fees, and any other component of a total admission ticket purchase price must not be false or misleading, must not be presented more prominently or in the same or larger size as the total price, and must be fully disclosed before a user is required to enter login credentials if the user is using a platform or exchange that requires login credentials to complete a purchase.
- (c) The price of an admission ticket shall not increase between selection and purchase, excluding reasonable fees for the delivery of nonelectronic tickets based on the delivery method selected by the purchaser, which must be disclosed prior to acceptance of payment and must comply with subsection (2) of this section.
- (2) Ban on nonphysical delivery fees. Reasonable and actual costs for the physical delivery of admission tickets may be charged based on the method of delivery selected by a purchaser; provided, however, that no delivery fee may be charged for admission tickets delivered electronically, or that may be printed independently by the purchaser.
- (3) Dynamic pricing limitations. When a ticket seller or ticket reseller uses surge pricing, demand pricing, or similar priceadjusting technology or manual process, sometimes referred to as "dynamic pricing," it shall not sell an admission ticket using such technology for a purchase price greater than an additional 10 percent of the admission ticket face value, excluding reasonable fees.
- NEW SECTION. Sec. 8. (1) Prior to a user's completion of a purchase of an admission ticket, including by means of an internet website, application, phone system, or other technology used to sell tickets, the following must be disclosed to a user by a ticket seller and ticket reseller:

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- 1 (a) The terms of a purchaser's right to cancel the purchase of an admission ticket from the ticket seller or ticket reseller;
- 3 (b) The refund policy of the ticket seller or ticket reseller 4 should an event be canceled;
- 5 (c) Whether the ticket seller or ticket reseller is owned by, 6 owns, or shares common ownership with another ticket seller or ticket 7 reseller;
 - (d) A hyperlink to a copy of the licensee's license;

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- 9 (e) Contact information to submit a consumer complaint including, 10 but not limited to, information for the Washington state consumer 11 protection division complaint website; and
- 12 (f) A statement that Washington state has consumer protections 13 for consumers of admission tickets for events, and where those laws 14 may be found.
- 15 (2) If a ticket reseller is owned by, owns, or shares common 16 ownership with a ticket seller, prior to a user's completion of a 17 purchase of an admission ticket the ticket reseller must disclose the 18 following:
- 19 (a) Whether admission tickets for an event are still available 20 for purchase from the ticket seller with whom the ticket reseller 21 shares common ownership, owns, or is owned by; and
- 22 (b) The face value of the admission ticket available for purchase 23 from that ticket seller.
- NEW SECTION. Sec. 9. (1) Penalties. (a) Any person who violates a provision of this chapter or rules adopted by the department under this chapter is subject to a penalty of not more than \$250 for a first violation and not more than \$500 for each violation thereafter. All penalties imposed under this section shall be paid to the department.
- 30 (b) A penalty provided for in this subsection shall be imposed by 31 a notice in writing from the department to the person against whom 32 the fine is assessed and shall describe the violation in reasonable 33 particularity.
 - (2) License revocation. If a person fails to pay a fine under subsection (1) of this section within 30 days of the date on the fine, the department may, after notice to the person and reasonable opportunity for the licensee to be heard, revoke a license or suspend the same for such period as the department may deem proper, upon satisfactory proof that the licensee has violated, or permitted a

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- 1 violation of any provision of this chapter, a condition of the
- 2 license or any rule or regulation of the department.
- 3 <u>NEW SECTION.</u> **Sec. 10.** This chapter preempts all existing or
- 4 future laws enacted by a county, city, town, or other political
- 5 subdivision of the state regarding the sale of admission tickets to
- 6 events.
- 7 <u>NEW SECTION.</u> **Sec. 11.** If any provision of this act or its
- 8 application to any person or circumstance is held invalid, the
- 9 remainder of the act or the application of the provision to other
- 10 persons or circumstances is not affected.
- 11 <u>NEW SECTION.</u> **Sec. 12.** Sections 4 through 10 of this act are
- 12 each added to chapter 19.345 RCW.
- NEW SECTION. Sec. 13. This act takes effect January 1, 2024.
- 14 <u>NEW SECTION.</u> **Sec. 14.** (1) The legislature finds that
- 15 Washingtonians are proud to support the arts and music and
- 16 entertainment events; value the opportunity to attend live events;
- 17 and appreciate the economic benefit these events and venues bring to
- 18 local communities.
- 19 (2) The legislature submits that in multiple instances, consumers
- 20 have had negative ticket sales experiences, including the most recent
- 21 Taylor Swift concert tour. These concert fans were frustrated at the
- 22 "nightmare dressed like a daydream" when trying to get access to
- 23 their favorite artist's live events. When fans felt the ticket sales
- 24 industry created "bad blood" with consumers, they refused to be told
- 25 "you need to calm down."
- 26 (3) The legislature believes ticket sellers should be "fearless"
- 27 in providing integrity, fairness, and transparency with consumers,
- 28 and therefore, the legislature refuses to "shake it off."

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