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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 678

02/18/2013 Authored by Hilstrom, Atkins, Lesch, Hoppe, Simon and others

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

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.

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

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

1.7 Subdivision 1. **Terms.** For purposes of sections 325E.68 to 325E.71, the terms
1.8 defined in this section have the meanings given.

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

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

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

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

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

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

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

1.21 Subd. 4. **Resale.** "Resale" includes a form of transfer or alienation, or offering for
1.22 transfer or alienation, or possession or entitlement to possession of an event ticket from
1.23 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.71. 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] CONSUMER PROTECTION MINIMUM STANDARDS.**

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

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

3.18 (1) acting as a ticket issuer;

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

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

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

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

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

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

3.28 (i) the event is canceled before the scheduled occurrence of the event and is not
 3.29 rescheduled;

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

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

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

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

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

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

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

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

4.15 Sec. 4. **[325E.71] ENFORCEMENT.**

4.16 The attorney general shall enforce sections 325E.68 to 325E.71 under section 8.31.

4.17 Sec. 5. **EFFECTIVE DATE.**

4.18 Sections 1 to 4 are effective January 1, 2014.