



SB 539 – Consumer Protection – Sale and Resale of Tickets
Economic Matters Committee
March 28, 2024
Position: Unfavorable

On behalf of Mid-Atlantic NATO, a regional affiliate of the National Association of Theatre Owners (NATO), representing movie theatres throughout Maryland, we appreciate the opportunity to submit testimony on the proposed legislation concerning the sale and resale of tickets.

Unintended Consequences of SB 539 on Movie Theatres

We are concerned that as drafted, the bill has the consequence to group together movie theaters along with the live events described.

For instance, Section 1, paragraph 7 indicates a “ticket issuer” for an entertainment event would include “an operator of a venue” or “a theater company.” While we understand this may be intended for live theater events, we believe further clarification would be needed to exempt movie theatres from these terms.

We acknowledge the importance of regulations aimed at protecting consumers from deceptive practices, however the characteristics and application of convenience fees within the movie theatre industry fundamentally differ from the attributes of the implied junk fees targeted by this regulatory effort. For this reason, we urge the committee to recognize the distinct nature of convenience fees in the movie theatre industry, characterized by transparency, optionality, and consumer choice. These fees do not constitute unfair or deceptive practices as they are clearly disclosed prior to final purchase, provide significant additional value, and are entirely avoidable, thus not fitting the criteria of problematic fee practices addressed by the proposed legislation.

Impact on Consumers

Movie theatres employ a dual pricing strategy that distinguishes between online and box office ticket sales. When customers purchase tickets online, they typically incur a nominal convenience fee. On the other hand, moviegoers have the option to avoid these nominal fees by purchasing tickets directly at the movie theatre's box office, where convenience fees are not charged. This option demonstrates the "reasonably avoidable" nature of the fee, underscoring the movie theatre industry's commitment to transparent, consumer-friendly pricing.

This proposed legislation could inadvertently reduce consumer access by compelling movie theatres to implement uniform pricing strategies that align box office prices with online marketed prices that include convenience fees. Such homogenization could lead to increased ticket costs across all channels—making movie tickets more expensive for numerous moviegoers who today benefit from lower prices by purchasing tickets directly at the cinema without online fees.

For these reasons, we ask you to exempt movie theatres from Senate Bill 539, or give an unfavorable report accordingly. Thank you for your consideration.

For further information, please contact Jenna Sublett (410-935-1470, jsublett@cgagroup.com) or Ellen Valentino (410-693-2226, evalentino@cgagroup.com) of Cornerstone Government Affairs, registered lobbyists for Mid-Atlantic NATO, or Doug Murdoch, Executive Director of Mid-Atlantic NATO (443.895.1446, doug@midatlanticnato.com)