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March 28, 2024

**TO:** The Honorable C.T. Wilson, Chair  
Economic Matters Committee

**FROM:** Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

**RE:** Senate Bill 539 – Commercial Law - Consumer Protection – Sale and  
Resale of Tickets (SUPPORT WITH AMENDMENTS)

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The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports Senate Bill 539, sponsored by Senators Gile, Feldman, Beidle and Ellis, which provides important protections for consumers who purchase tickets for entertainment events. However, as amended in the Senate, SB 539 would require the Division to conduct a review of the event ticket market in Maryland and submit a report to the Senate Finance and House Economic Matters Committees by December 1, 2024, a review that the Division does not have the capacity to conduct. Accordingly, the Division requests that the review either be struck from SB 539 or assigned to the Department of Legislative Services.

As introduced, Senate Bill 539 would have helped to address the problem of ticket resellers and ticket bots that buy up significant quantities of tickets to popular concerts and other events in order to resell them on the secondary market for substantial markups by limiting the price at which tickets may be resold and fees that resale markets can impose. However, as amended, the bill would require clear all-in pricing, so that ticket prices reflect the full price of the ticket, including all fees and taxes, but excluding shipping costs. Senate Bill 539 would further protect consumers by barring the sale of speculative tickets (a ticket put up for sale by a broker when the broker does not yet have the ticket in hand), which often results in ticket buyers not getting the tickets they thought they were buying or, in some cases, not getting the tickets they paid for at all.

However, instead of addressing the issues concerning the secondary ticket market, Senate Bill 539 would require the Division to conduct a review including an assessment of:

- How event tickets are obtained for resale by professional resellers and brokers;
- The cost of event tickets offered to and purchased by consumers on the resale market when compared with the face values and total event ticket prices for tickets offered to and purchased by consumers in the primary event ticket market;
- Factors contributing to the cost of event tickets sold and offered for sale on the resale market;
- Problems consumers are encountering relating to the purchase of event tickets sold and offered for sale on the resale market, including:
  - The fraudulent sale of event tickets;
  - The sale of counterfeit tickets;
  - The denial of entry to events for which tickets were purchased by consumers; and
  - The use of bots to purchase for resale tickets for in-demand events.
- The impact of any measures taken in other states to protect consumers in the event ticket market, such as through price resale caps, limits on fees and charges by secondary market resale platforms, requiring the transferability of event tickets, and restrictions on use of bots to purchase tickets for resale; and
- Any other matters identified as relevant to the protection of consumers in the event ticket market.

Conducting the study would require significant resources and expertise that the Division does not have and would, at the very least, necessitate that the Division issue an RFP for a consultant with economic expertise as well as the resources to collect information from numerous ticket resellers and Maryland venues to collect the necessary data. There have also been previous studies that the General Assembly could turn to in considering the issues surrounding event ticket sales, including a 2018 study by the U.S. Government Accounting Office, *Event Ticket Sales: Market Characteristics and Consumer Protection Issues* (April 2018) <https://www.gao.gov/assets/gao-18-347.pdf>, the Federal Trade Commission, “*That’s the Ticket*” *Workshop* (June 11, 2019), [https://www.ftc.gov/system/files/documents/reports/thats-ticket-workshop-staff-perspective/staffperspective\\_tickets\\_final-508.pdf](https://www.ftc.gov/system/files/documents/reports/thats-ticket-workshop-staff-perspective/staffperspective_tickets_final-508.pdf), and a 2021 study conducted by the New York State Senate, *Final Investigative Report: Live Event Ticketing Practices* (May 18, 2021), [https://www.nysenate.gov/sites/default/files/article/attachment/nys\\_senate\\_igo\\_committee\\_report\\_-\\_live\\_event\\_ticketing\\_practices.pdf](https://www.nysenate.gov/sites/default/files/article/attachment/nys_senate_igo_committee_report_-_live_event_ticketing_practices.pdf). Having repeatedly worked on the issue of excessive ticket prices in the secondary market for years, including conducting a summer study in 2016 at the request of the Economic Matters Committee that concluded:

During the meetings a number of issues were discussed, including ticket bots buying up large blocks of tickets, venues holding back large blocks

of tickets, restrictions on ticket resales, delays in delivering tickets, minimum resale prices, refund policies, and fraudulent tickets. However, the participants were unable to reach consensus on whether there was a problem with ticket resale restrictions, let alone how that problem should be addressed. The one area where there appeared to be consensus was that ticket bots were a problem, however, the General Assembly previously enacted legislation to address that issue. Md. Code Ann., Com. Law §§ 14-4001 through 14-4003.

Accordingly, as there was significant disagreement regarding this issue, the Office of the Attorney General cannot make a recommendation concerning legislation related to ticket resales.

The Division does not believe that conducting another study will help to close the divide between the primary and secondary ticket markets. Consequently, the Division requests that the Economic Matters Committee remove the study from Senate Bill 539 or, in the alternative, direct the Department of Legislative Services to conduct the study and requests that the Economic Matters Committee give SB 539 a favorable report without requiring the Division to conduct the study.

cc: Members, Economic Matters Committee  
The Honorable Dawn Gile  
The Honorable Brian Feldman  
The Honorable Arthur Ellis