

Maryland House of Delegates  
Committee on Economic Affairs  
Delegate Derek E. Davis, Committee Chair  
90 State Circle  
Annapolis, MD 21401

Re: House Bill 1235

Dear Delegate Davis and Members of the Committee on Economic Matters:

My name is Donald Vaccaro, and I am President and CEO of TicketNetwork, Inc., a leading resale marketplace that facilitates transactions between third-party event ticket buyers and sellers. As a marketplace that has been at the forefront of implementing customer-friendly policies since 2002, we wanted to take this opportunity to discuss the modifications to Maryland law proposed by House Bill 1235 and provide a brief explanation of our position on that bill.

Ticket resale marketplaces such as TicketNetwork connect people who have tickets with people who might want to purchase those tickets. Marketplaces like TicketNetwork do not buy or sell tickets, but rather create a consumer-friendly environment with built-in protections for buyer and seller alike.

As a resale marketplace focused on the optimal consumer shopping experience, we applaud the modifications to current law proposed by HB 1235. These modifications improve the ticket-buying experience by making paramount consumer rights to the tickets they purchase and their right to control disclosure of personal information. They also ensure that consumers know what type of website they are buying tickets from and that ticket prices are not inflated, as well as protecting public trust in taxpayer funded facilities.

When consumers purchase a ticket, they own that ticket and should have the right to do with it whatever they choose – use it, resell it, transfer it, give it away, or anything else – without paying the seller additional fees or relinquishing any of their rights in the process. HB1235 protects consumers’ ownership rights in the tickets they purchase, ensuring that if a consumer chooses to resell, transfer, or give away their tickets, no person or entity can unfairly restrict that consumer’s right to do so. It achieves this by clearly establishing that an event ticketing system must allow the consumer the ability to transfer their tickets without additional fees or the consent of the person operating the event ticketing system and it prohibits a ticket seller from requiring that a purchaser agree not to resell a ticket as a condition of purchasing a ticket. Existing laws in Colorado, New York, Virginia, Illinois and Connecticut provide consumers similar protections that this bill proposes to give to those attending events in Maryland.

HB 1235 also addresses some of the technology in use and under development that can be used to limit consumers’ rights on the tickets they purchase. Some performers, promoters and venues use paperless ticket systems, also known as e-tickets or electronic tickets, which require the consumer who purchased them to show the credit card used in the purchase and/or ID at the door of the event or risk being denied entry, regardless of

whether the tickets they hold are valid. Many see e-tickets as a convenience and a welcome technological advancement. However, such systems run the risk of depriving consumers of their rights to use tickets they purchase as they see fit, but allowing the performer, promoter, or venue to prevent them from selling, gifting or doing anything with the ticket aside from using it to attend the event themselves. HB 1235 prohibits ticket sellers from using e-tickets or any new paperless technology to restrict the consumers' ownership rights in their tickets, it requires that a person who operates a paperless event ticketing system that does not allow the purchaser to transfer a ticket must at the time of purchase give the purchaser the option to buy the same ticket in a format that is transferable, without any additional fees. New York, Connecticut, and Virginia have laws that prohibit or restrict ticket sellers from using paperless ticketing as a sole means of distributing tickets.

Equally important to consumers' ownership rights to use the tickets they purchased is that when a consumer decides to give away or transfer their tickets, no person or entity should be able to discriminate against the consumer who acquired those tickets by denying them entry to an event strictly because they are not the original purchaser. HB 1235 prohibits that type of discrimination by making it unlawful to deny entry to a consumer holding a valid ticket to an event strictly on the basis that they were not the original purchaser from the box office or other primary ticket source. Laws in Colorado, New York, Virginia and Connecticut already prohibit such discrimination and pending legislation in Massachusetts would provide consumers with similar protection.

Consumers should be able to expect transparency from websites. When they shop for tickets, consumers should know whether they are shopping on a primary ticket website or a secondary ticket website, as this is key information which may be essential to them making an informed decision about where they shop. HB 1235 requires that an event ticketing website provide a written disclosure if they are a secondary market, helping purchasers understand the type of website from which they are purchasing tickets. Laws in Connecticut, New York, Utah and Nevada already require such disclosures.

Consumers, not ticket sellers, should decide if their personal information appears on a ticket. Consumer privacy and the use of personal information are of paramount concern to consumers and governments alike due to widespread abuse of such data by some entities. Consumers should be able to control instances where their personal information is displayed; HB 1235 gives consumers that control. Many states including California are considering or have passed legislation designed to increase consumers ability to control the disclosure of their personal information.

Some primary market ticket sellers, venues, promoters and other event holders set minimum prices, below which tickets cannot be sold or resold. Such minimum prices are known as price floors and are detrimental to consumers because they can result in ticket prices rising above their true market value. HB 1235 prohibits the setting of a minimum price at which a ticket might be sold or resold. This provision in HB 1235 also protects ticket reselling businesses in Maryland, which are often small businesses.

HB 1235 protects the public trust in taxpayer-funded facilities by ensuring non-profit venues that qualify for 501(c) (3) status or which are funded through public donations do not enter into exclusive agreements with primary ticket sellers, which in practice eliminates market competition. Taxpayer-funded facilities should not use taxpayer funds to restrict all businesses from participating in commerce with those facilities. The government agency contracting process is conducted in an open environment and subject to rules to ensure that the process is fair. The same standards for fairness and transparency should apply to other taxpayer funded and nonprofit facilities. Prohibiting venues from having exclusive contracts with specific companies provides needed freedoms for a free market economy and ensures that small businesses such as venues are not forced to use one channel for commerce.



We believe that HB 1235 will create a better experience for Maryland consumers by preserving their rights to do as they choose with the tickets they've purchased; prohibiting discrimination against users of resold, gifted, or transferred tickets; eliminating pricing models that hinder their ability to pay a competitive price for tickets they purchase; allowing them to know the type of website from which they are purchasing tickets; and protecting their interest in publicly funded facilities.

If you have any questions or if I can be of assistance in explaining our position on the language in HB 1235 and why it would serve the interests of Maryland consumers and businesses, please contact me.

Sincerely,

Donald Vaccaro  
President and CEO, TicketNetwork, Inc.  
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