



Written Testimony in Favor of SB 852/HB 795

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Chairman Wilson and Members of the Committee:

Thank you for the opportunity to submit this testimony in favor of SB 852/HB 795. We are the National Consumers League, Consumer Federation of America, and Sports Fans Coalition. NCL is America's pioneering consumer advocacy organization, representing consumers and workers on marketplace and workplace issues since its founding in 1899. CFA is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. SFC is a national non-profit advocacy organization devoted to representing fans wherever public policy impacts the games we love.

Our organizations work to ensure music, theater, and sports fans across the country have access to a fair, transparent, and fan-friendly live event ticketing marketplace. Together, we developed the Ticket Buyer Bill of Rights, a set of principles we believe should accompany any ticketing legislation. We are pleased to see that SB 852/HB 795 adopts many of the key components of these principles, and as such we support this legislation.

A key part of the Ticket Buyer Bill of Rights is the Right to Transfer, which this bill enshrines into law. Transferability is an important component of any pro-fan ticketing marketplace. Those who oppose this legislation, including Maryland's sports teams, argue that restrictive tickets actually protect consumers by eliminating bad actors in the



secondary marketplace. This is false. In actuality, the transferability provisions of this bill are about empowering fans.

Fans don't just buy tickets; they sell tickets, too. Season ticket holders, for example, want the freedom to sell their tickets if they can't make a game due to illness, work obligations, or any other reason. The ease of resale encourages fans to invest more in Georgia's home teams and allows consumers to purchase season tickets they otherwise would not be able to afford. Or, if a fan who (by some miracle) bought tickets to see Taylor Swift in April at Mercedes-Benz Stadium falls ill or gets injured, that fan could recoup their ticket investment by selling the ticket on the secondary market. The ability to freely transfer tickets gives fans, who must often buy event tickets months in advance, confidence that their ticket purchase will be protected if they cannot attend an event.

Another element of the Ticket Buyer Bill of Rights is the Right to Transparency. SB 852/HB 795 provides fans with transparency through its requirements for all-in pricing and disclosures on ticket holdbacks. The only thing fans hate more than exorbitant fees is being surprised by those same exorbitant fees. Fans deserve to know the final price at the point of advertisement and not after clicking through several screens and entering in their personal information. The first price a consumer sees should be the last price the consumer sees. Holdbacks are when primary ticket operators don't release the full seat capacity to the general public, but instead, set aside a significant number for distribution to industry insiders. In 2016, the New York Attorney General's office found that, on average, only 46% of tickets are available to the general public on high-profile events, and in some instances, the number of held-back tickets is far greater.

Imagine attending an event at M&T Bank Stadium. Instead of putting all 71,000 seats on sale to the general public, only around 32,000 seats are actually available. Despite this, Maryland's consumers would be led to believe that every single ticket is up for grabs. This is deceptive, and yet it is standard operating procedure at sporting events and music venues across the country. This bill would require that fans have all the relevant



information, including which seats are available for purchase and which seats, specifically, are being held back. If passed, this would be the first of its kind legislation and set Maryland as the gold standard for the country.

While we support this bill, we would urge the members of the Committee to consider adding additional protections to the bill. Provisions from the Ticket Buyer Bill of Rights we would recommend include:

- The Right to Set the Price. In other words, companies should not dictate to fans what price they can or cannot resell their tickets. The New York Attorney General also found that the NFL's old price floor policy on resale artificially inflated prices. Price controls of any kind do not serve the consumer's best interest. Additionally, fans who spent thousands of dollars on season tickets should be able to recoup that investment if they choose to sell tickets to a rivalry game, and should not be restricted in meeting the market demand. We believe the committee should strike Section 14-4004(A)(2), which calls for a price cap language.
- The Right to a Fair Marketplace where they compete with actual humans and not bots for tickets. While Federal law and Maryland law already prohibit the use of bots, it does not yet require that primary ticketing platforms that catch bots report those bots to law enforcement. The federal BOTS Act has only been enforced once. From what we understand, the biggest hurdle is that law enforcement is unaware of bot activity. We believe that ticketing platforms should be required to report all suspected bot activity to law enforcement, and we encourage the committee to add language to this effect.
- The Right to a Fair Marketplace where consumers are not deceived by resale websites that appear to be affiliated with a venue, artist, or event. Maryland law currently makes it an unfair and deceptive trade practice for resellers to operate websites that use URL's containing the name of a venue, event, artist or group or names "substantially similar" to those entities. We urge the Committee to also prohibit resellers from using websites that



feature the names, images, likenesses, or other indicia of affiliation with a venue, artist, or event unless they receive permission to do so from those entities.

Lastly, we also recommend striking Section 14-4005(A)(3)(I) to better protect season ticket holders for Maryland's sports teams.

If the committee is interested in exploring these additional consumer protections, we will be happy to work with you.

The nation's leading consumer groups urge a favorable report of SB 852/HB 795, and look forward to working with the committee to strengthen this already strong bill.

Sincerely,

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