

## Written Testimony Regarding House Bill 701

### **Submitted By:**

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# Before the Economic Matters Committee Maryland House of Delegates

#### February 20, 2024

The National Consumers League ("NCL") is pleased to submit the following testimony urging support for HB 701, with amendments. Founded in 1899, the National Consumers League is America's pioneering consumer and worker advocacy organization. Our non-profit mission is to promote social and economic justice for consumers and workers in the United States and abroad.¹ Since 2009, NCL has advocated for a fairer, more competitive, and transparent live event industry by supporting policies that benefits fans, artist, venues, and all stakeholders in success of live events.

Last February, NCL joined 13 other public interest organizations from Maryland and across the nation to launch the Ticket Buyer Bill of Rights a comprehensive set of pro-competition and pro-consumer policies. <sup>2</sup> NCL is pleased to see that HB 701 includes many of the tenets from the Ticket Buyer Bill of Rights, such as all-in pricing requirements and a ban on deceptive speculative ticketing. Unfortunately, as introduced, there are several proposed

<sup>&</sup>lt;sup>1</sup> For more information, visit <u>www.nclnet.org</u>

<sup>&</sup>lt;sup>2</sup> Online: https://www.ticketbuyerbillofrights.org/

reforms in HB 701 that will have the unintended consequence of allowing one company – Live Nation/Ticketmaster – to expand its control of the live event industry in Maryland. We urge you to consider amendments to the bill to address our concerns.

First, the all-in pricing requirements<sup>3</sup> in the bill should be strengthened. The bill calls for the listing of the all-in price during "each step of a transaction." NCL believes that the first price a consumer sees when shopping for event tickets should be the final price that fan pays. We are concerned that ticketers wishing to evade these requirements could consider the listing of a ticket price to be separate from a "transaction," (i.e. when a consumer selects the ticket). We urge you to amend the bill to require that the all-in price, including all mandatory fees and taxes, be provided any time a ticket price is listed.

Second, we have significant concerns about the data sharing provision,<sup>4</sup> which would require resellers to provide ticket issuers with the contact information of the resale ticket purchaser. Absent robust collection and use restrictions, this language could contribute to significant harm to consumers' privacy. It is also unclear to us that ticket issuers require this information at all to provide information to resale ticket purchasers of changes to an event. Ticket issuers, artists, and promoters have numerous channels through which to communicate with event attendees, including Instagram, TikTok, Twitter/X, Facebook, radio and television announcements, and artists' and venue websites, to name only a few.

A requirement that resellers share contact information of their customers with ticket issuers, would also provide Live Nation/Ticketmaster and other primary ticket sellers with information that could be used to cancel tickets sold through competing distribution channels such as resale marketplaces or otherwise penalize fans who choose not to purchase tickets directly from the primary ticketer. This would only strengthen the dominance of Live Nation/Ticketmaster, which resold nearly \$4.5 billion in tickets in 2022,

<sup>&</sup>lt;sup>3</sup> Pg. 3, lines 8-9. <sup>4</sup> Pg. 3, lines 16-19.

making it one of the largest resale marketplaces in the industry.<sup>5</sup> We urge you to amend the bill to strike this unnecessary and anti-competitive provision.

Finally, while we are pleased to see language protecting the right of fans to resell, donate, or give away their tickets, we are concerned that the language could be misused by ticket issuers to restrict competition in ticket sales and limit resale to a Live Nation/Ticketmaster's resale platform. Specifically, the "[s]ubject to reasonable restrictions imposed by a ticket issuer" language is overly vague and may render the intent of this section (to protect ticket transferability) toothless. We urge you to amend this section to strike the "[s]ubject to reasonable restrictions" language.

On behalf of live event fans in Maryland, thank you for giving NCL the opportunity to submit our testimony today. We look forward to working with the bill's sponsors as this bill moves through the Senate.

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<sup>&</sup>lt;sup>5</sup> Live Nation Form 10-K. (February 23, 2023). ("Our resale business continued to grow, with nearly \$4.5 billion dollars in gross transaction value for 2022, more than doubling resale gross transaction value in 2019. It was our highest resale year ever, powered by both Concerts and all the major sports leagues") Online: <a href="https://investors.livenationentertainment.com/sec-filings/annual-reports/content/0001335258-23-000014/lyv-20221231.htm?TB">https://investors.livenationentertainment.com/sec-filings/annual-reports/content/0001335258-23-000014/lyv-20221231.htm?TB</a> iframe=true&height=auto&width=auto&preload=false

<sup>&</sup>lt;sup>6</sup> Pg. 4, Lines 4-6.