

## **TMG HIPPODROME, LLC**

### **TESTIMONY IN OPPOSITION TO HOUSE BILL 77**

#### **CONSUMER PROTECTION – SALE AND RESALE OF EVENT TICKETS – REGISTRATION AND REGULATION**

My name is Ron Legler and I am the President of the France-Merrick Performing Arts Center and its historic Hippodrome Theatre, a State-owned performing arts center located in Baltimore. The Hippodrome Theatre is the only venue for National Touring Broadway Series in Maryland.

HB 77 would impose a price cap on the resale of event tickets at 10% of the total price of the initial ticket. We oppose this price cap and believe it would be detrimental to the live entertainment industry in Maryland. Further, any requirements governing what may be charged on the secondary market would interfere with consumers' rights to resell tickets they cannot use, which may create a chilling effect on the purchase of tickets. Existing law (enacted just two years ago) already provides for reasonable and appropriate consumer protections.

We also note that price controls may be well-intentioned but oftentimes are harmful for the following reasons:

- Price controls disincentivize investment and innovation.
- If a seller cannot recoup its costs because of a price cap, it may stop offering higher quality, higher cost services, or may choose not to sell at all.
- These types of caps do not exist in other industries driven by dynamic pricing, such as airlines, hotels and ridesharing.
- These problems are well-established in economic literature.
- There is a high cost of enforcement for the Attorney General.

In addition, price caps harm consumers for the following reasons:

- Price caps may force ticket resellers to limit their services—or exit the market entirely—requiring consumers to turn to other, risky and potentially illegal options to purchase tickets (like unlicensed scalpers).

## **TMG HIPPODROME, LLC**

### **TESTIMONY IN OPPOSITION TO HOUSE BILL 77**

#### **CONSUMER PROTECTION – SALE AND RESALE OF EVENT TICKETS – REGISTRATION AND REGULATION**

- Consumers already have various options to buy tickets in a robust ticketing market.
- Existing law already requires ticket resellers to disclose all fees before checkout.
- Consumer choice and competition will correct where fees are set too high in robust competitive markets like this one.

Major touring Broadway, concert performers, and sporting events have a choice as to where they perform. Passage of this legislation may influence major presenters, concert promoters, and artists to choose to play in other states.

For these reasons, the Hippodrome opposes HB77.