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# A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the practice of  
2 reselling an event ticket for a price higher than the official  
3 price, often referred to as "scalping", hurts all parties  
4 connected with the event except the scalper. A scalper may be  
5 able to make a large profit by reselling a ticket for a price  
6 far in excess of the ticket's face value. Meanwhile, the  
7 scalper's profit will come at the expense and dismay of regular  
8 consumers who were unable to acquire tickets due to the greed of  
9 the scalper. The legislature also finds that many scalpers use  
10 automated computer programs, known as "bots", to flood ticket  
11 vendors with electronic ticket requests, allowing them to  
12 purchase an inordinate number of tickets almost instantaneously.  
13 This practice further impedes the public's fair access to ticket  
14 sales.

15           The problem of scalping and the illicit use of bots have  
16 risen to prominence recently, when thousands of Hawaii residents  
17 were unable to purchase tickets for high-profile concerts due to



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1 competition from scalpers and illicit bots. As tickets from the  
2 primary marketplace sold out, a large number of tickets for the  
3 same event appeared for sale from scalpers almost simultaneously  
4 on third-party websites.

5 The legislature concludes that increased regulation of  
6 ticket reselling practices, including an extension of the  
7 prohibition on scalping, will benefit Hawaii consumers.

8 Accordingly, the purpose of this Act is to:

- 9 (1) Prohibit the sale of tickets to exhibitions, games,  
10 concerts, and other events at prices greater than the  
11 sum of the price printed on the ticket, any lawful  
12 taxes collected, and any reasonable charge for  
13 services permitted pursuant to a written contract  
14 between the seller of the ticket and the primary  
15 ticket seller;
- 16 (2) Specify that no ticket sales for events in Hawaii  
17 shall commence before 8:00 a.m. Hawaiian standard time  
18 or before the primary ticket seller commences ticket  
19 sales, whichever is later;
- 20 (3) Specify requirements for tickets sold or offered for  
21 sale through an internet website;



- 1 (4) Establish requirements for disclosures relating to  
2 fees and taxes and number of available tickets;  
3 (5) Establish remedies for violations of event ticket  
4 sales practices and ticket scalping; and  
5 (6) Make the circumvention of online ticket purchase  
6 limits through the use of illicit computer software a  
7 misdemeanor.

8 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is  
9 amended by adding a new part to be appropriately designated and  
10 to read as follows:

11 "PART . EVENT TICKET SALES PRACTICES AND TICKET SCALPING

12 §481B-A Definitions. As used in this part, unless the  
13 context requires otherwise:

14 "Primary ticket seller" means:

- 15 (1) An owner or operator of a venue or sports team;  
16 (2) A manager or provider of an event;  
17 (3) An event promoter;  
18 (4) A provider of ticketing services; or  
19 (5) An agent of the owner, operator, manager, or provider,

20 that engages in the primary sale of tickets for an event or  
21 retains the authority to otherwise distribute tickets.



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1           §481B-B Ticket sales; price limitations; website sales  
2 requirements. (a) No person shall sell or offer for sale any  
3 ticket of admission or any other evidence of a right of entry to  
4 an exhibition, game, contest, athletic competition, concert,  
5 performance, or any other event, at a price greater than the sum  
6 of:

- 7           (1) The price printed on the ticket; and
- 8           (2) Any tax that the seller may lawfully collect on the  
9           price printed on the ticket; and
- 10          (3) Any reasonable charge for services actually rendered  
11          and directly relating to the cost of selling or  
12          offering to sell the ticket if the fee is permitted  
13          pursuant to a written contract between the seller of  
14          the ticket and the primary ticket seller; provided  
15          that the charge shall not exceed four hundred per cent  
16          of the price printed on the ticket.

17          (b) Ticket sales for an event to be held in Hawaii shall  
18 not commence before 8:00 a.m. Hawaiian standard time or before  
19 the primary ticket seller commences ticket sales, whichever is  
20 later.



1           (c) If the ticket is sold or offered for sale by or  
2 through an internet website by a person other than a primary  
3 ticket seller, the website operator shall:

4           (1) Guarantee a full refund of the amount paid for the  
5 ticket, and any applicable servicing, handling, or  
6 processing fees, if:

7           (A) The ticketed event is canceled;

8           (B) The purchaser is denied admission to the ticketed  
9 event, unless the denial is due to the action or  
10 omission of the purchaser; or

11           (C) The ticket is not delivered to the purchaser in  
12 time for the purchaser to attend the event; and

13           (2) Disclose that:

14           (A) The internet website is not the primary ticket  
15 seller;

16           (B) The person selling the ticket is not the primary  
17 ticket seller, if the ticket is being sold  
18 through the internet website; and

19           (C) The price of the ticket listed on that internet  
20 website may be higher than the ticket's original  
21 value.



1 (d) This section shall not apply to any ticket for an  
2 event taking place outside of the State.

3 (e) Each violation of this section shall be subject to the  
4 remedies provided in section 481B-D; provided that each sale or  
5 offer for sale shall constitute a separate violation.

6 **§481B-C Disclosures, fees and taxes, available tickets.**

7 (a) A primary ticket seller shall disclose all applicable taxes  
8 and fees that may be assessed on a ticket sale on the same web  
9 page or physical display that lists the price of the ticket.

10 (b) A primary ticket seller shall disclose the total  
11 number of tickets available in a ticket sale on a publicly  
12 available website or at the venue box office.

13 **§481B-D Remedies; prohibited contractual agreements. (a)**

14 Any violation of this part shall constitute unfair methods of  
15 competition and unfair and deceptive acts or practices in the  
16 conduct of any trade or commerce under section 480-2.

17 (b) Any agreement entered into by a consumer for the  
18 purchase of a ticket that waives, limits, or disclaims any of  
19 the rights set forth in this part shall be void as contrary to  
20 public policy.



1 (c) No agreement to arbitrate any dispute arising from the  
2 purchase or sale of a ticket subject to this part shall be  
3 enforceable against any consumer.

4 (d) Any penalty issued pursuant to subsection (a) shall be  
5 in addition to any other remedies provided by law.

6 **§481B-E Ticket brokers; fees; cancellation.** (a) No  
7 ticket broker shall charge a fee for the use of a credit card to  
8 purchase tickets without first disclosing that a fee will be  
9 charged and the fee amount.

10 (b) A ticket broker shall refund any and all service fees  
11 charged for the purchase of a ticket when the public exhibition,  
12 game, contest, or performance for which the ticket was purchased  
13 is canceled.

14 (c) For the purposes of this section, "ticket broker"  
15 means any person whose primary business purpose is selling or  
16 reselling tickets of admission or any other evidence of right of  
17 entry to a theater, place of amusement or entertainment, or  
18 other place where public exhibitions, games, contests, or  
19 performances are held."



1 SECTION 3. Chapter 708, Hawaii Revised Statutes, is  
2 amended by adding a new section to part IX to be appropriately  
3 designated and to read as follows:

4 "§708- Circumvention of online ticket purchase  
5 processes. (1) No person shall use computer software to  
6 circumvent a security measure, access control system, or other  
7 control or measure on a ticket seller's website that is used to  
8 ensure an equitable process for purchasing tickets.

9 (2) A person found in violation of this section shall be  
10 guilty of a misdemeanor.

11 (3) For purposes of this section, "ticket" means any  
12 ticket of admission or any other evidence of a right of entry to  
13 an exhibition, game, contest, athletic competition, concert,  
14 performance, or any other event taking place in the State."

15 SECTION 4. Section 440-17, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "§440-17 Admission tickets. All tickets of admission to  
18 any boxing contest for which admission fees are charged and  
19 received shall have printed clearly upon the face thereof the  
20 purchase price of same, and no ticket shall be sold [~~for more~~





1 ~~than the price as printed thereon.]~~ in a manner that violates  
2 section 481B-B."

3 SECTION 5. Section 440E-13, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 " ~~[§440E-13]~~ **Admission tickets.** All tickets of  
6 admission to any mixed martial arts contest for which admission  
7 fees are charged and received shall have printed clearly upon  
8 the face thereof the purchase price of same, and no ticket shall  
9 be sold ~~[for more than the price as printed thereon.]~~ in a  
10 manner that violates section 481B-B."

11 SECTION 6. Section 481B-15, Hawaii Revised Statutes, is  
12 repealed.

13 ~~"[§481B-15] Ticket brokers; fees; cancellation. (a) No~~  
14 ~~ticket broker shall charge a fee for the use of a credit card to~~  
15 ~~purchase tickets without first disclosing that a fee will be~~  
16 ~~charged.~~

17 ~~(b) A ticket broker shall refund any and all service fees~~  
18 ~~charged for the purchase of a ticket when the public exhibition,~~  
19 ~~game, contest, or performance for which the ticket was purchased~~  
20 ~~is canceled.~~



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1       ~~(c) For the purposes of this section, "ticket broker"~~  
2 ~~means any person engaged in the business of selling tickets of~~  
3 ~~admission or any other evidence of right of entry to a theater,~~  
4 ~~place of amusement or entertainment, or other place where public~~  
5 ~~exhibitions, games, contests, or performances are held, at a~~  
6 ~~price greater than the price printed on the ticket."]~~

7       SECTION 7. This Act does not affect rights and duties that  
8 matured, penalties that were incurred, and proceedings that were  
9 begun before its effective date.

10       SECTION 8. In codifying the new sections added by section  
11 2 of this Act, the revisor of statutes shall substitute  
12 appropriate section numbers for the letters used in designating  
13 the new sections in this Act.

14       SECTION 9. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16       SECTION 10. This Act shall take effect upon its approval.

17

INTRODUCED BY:



JAN 17 2019



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**Report Title:**

Consumer Protection; Event Ticket Sales Practices; Scalping; Price Limitations; Website Sales Requirements; Disclosures; Remedies; Unfair and Deceptive Practices

**Description:**

Prohibits the sale of tickets to an exhibition, game, concert, and other events at prices greater than the sum of the price printed on the ticket, any lawful taxes collected, and, if permitted pursuant to a written contract between the seller of the ticket and the primary ticket seller, any reasonable charge for services. Specifies that no ticket sales for events in Hawaii shall commence before 8:00 a.m. Hawaiian standard time or before the primary ticket seller commences ticket sales, whichever is later. Specifies requirements for tickets sold or offered for sale by or through an internet website. Establishes requirements for disclosures relating to fees and taxes and number of available tickets. Establishes remedies. Makes the circumvention of online ticket purchases through the use of illicit computer software a misdemeanor.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

