
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 ticket-
2 purchasing process for popular events is frustrating for
3 consumers. According to reports by the attorney general of the
4 state of New York and the federal Government Accountability
5 Office, event tickets for popular concerts go through one of
6 three channels: holds, pre-sales, and general public sales.
7 Due to event tickets being held or sold through pre-sales, the
8 general public only has access to a fraction of the event
9 tickets, sometimes less than half.

10 Additionally, primary ticket sellers are not transparent
11 with fees and charges. First, a consumer may not be informed of
12 the applicable taxes and charges until the very end of the
13 ticket-purchasing process, shocking a consumer with the
14 additional cost. Second, the amount of the fees or charges do
15 not always appear justified by the proffered reason for the fees
16 or charges.



1 The legislature further finds that popular events held in
2 the State attract secondary market profiteers, commonly known as
3 scalpers, who exacerbate the frustrations of the ticket-
4 purchasing process to the detriment of ordinary consumers.
5 First, scalpers are additional persons with whom consumers must
6 compete for event tickets, thereby increasing the demand for an
7 inelastic supply. Second, scalpers increase the cost of an
8 event to a consumer, but the cost increase is not spent to make
9 the event better for the consumer. Lastly, some scalpers do not
10 compete equally with consumers as some scalpers utilize computer
11 software to navigate a ticket-selling platform and its security
12 measures in a fraction of the time as a human being to purchase
13 multiple tickets and conduct multiple transactions
14 simultaneously. For example, in 2018, thousands of tickets for
15 a concert held in the State by recording artist Bruno Mars ended
16 up on third party websites at inflated prices.

17 However, the legislature recognizes that the secondary
18 market provides a service to consumers who are willing to pay
19 more for the convenience of purchasing tickets at any time up to
20 the date of the event. Additionally, the secondary market
21 provides an opportunity to obtain tickets for consumers whose



1 schedule and commitments prevented them from purchasing event
2 tickets when the event tickets were initially made available.

3 Due to each position's merits, the legislature finds that
4 states differ in their approaches to the problem of ticket
5 scalping. Some states explicitly allow the practice of ticket
6 scalping and curb any attempt to limit the practice. Other
7 states take the opposite stance by prohibiting the practice in
8 its entirety. Yet, other states take an intermediate approach
9 by placing various limitations such as capping the profit a
10 ticket scalper may make; restricting the time or place of ticket
11 scalping; requiring ticket scalpers to be licensed or
12 registered; or mandating certain business practices to ensure a
13 certain level of consumer protection.

14 Accordingly, the purpose of this Act is to prohibit tickets
15 to be sold at a higher price than the original price charged by
16 the primary venue ticket provider.

17 SECTION 2. (a) It shall be unlawful for any person to
18 sell or offer for sale event tickets at a price greater than the
19 original price as charged by the primary venue ticket provider.
20 This section shall not apply to charitable organizations, as
21 defined in section 467B-1, and their employees and volunteers



1 for event tickets resold or offered for resale through a raffle,
2 auction, or similar fundraising activity for the benefit of a
3 charitable organization's charitable purposes.

4 (b) For the purposes of this section, "primary ticket
5 seller" means an owner or operator of a venue or sports team,
6 manager or provider of an event, event promoter, a provider of
7 ticketing services or an agent of the owner, operator, manager,
8 or provider, that engages in the primary sale of event tickets
9 or retains the authority to otherwise distribute tickets.

10 SECTION 3. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 4. This Act shall take effect on January 1, 2050.



Report Title:

Event Ticket Sales Practices; Ticket Scalping; Bruno Mars Act

Description:

Prohibits the sale of tickets at higher price than the original price charged by the primary venue ticket provider. Takes effect 1/1/2050. (SD1)

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