

Date of Hearing: May 1, 2025

Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

AB 1291 (Lee) – As Amended April 23, 2025

SUBJECT: Ticket sellers: proof of purchase

SYNOPSIS

This bill, which is virtually identical to a bill this Committee passed unanimously last year – AB 2203 (McCarty) – is intended to strengthen consumer protections in both the primary and secondary markets by requiring ticket sellers to provide an immediate proof of purchase that is linked to an individual ticket or multiple tickets and that the consumer can save or download to an electronic wallet that will allow them to enter the venue even if they are unable to access their electronic tickets.

Given the confusion faced by consumers when they go online to purchase tickets to an entertainment event and the significant cost associated with the purchase of those tickets, especially those purchased in the resale market, it is important that consumers know that what they have paid for is an actual, valid ticket. Toward that end, this bill would enable consumers to obtain a valid proof of purchase associated with each individual ticket, which venue operators must honor if the electronic tickets are not accessible.

In addition, by requiring a proof of purchase rather than sending a ticket far in advance of an event, this bill would help protect venue operators by allowing them to continue to delay the delivery of tickets in order to reduce the amount of time people have to fraudulently duplicate and resell them on the secondary market.

The previous version of this bill had a number of supporters and opponents. Because that version was deleted and language was amended into the bill, both supporters and opponents may have changed their position. There is no registered support for the current bill and it is opposed by a coalition of professional sports teams.

This bill was previously heard in the Arts, Entertainment, Sports, and Tourism Committee, which amended the bill to its current form and passed it by a 6-1-2 vote.

THIS BILL:

- 1) Establishes the Fair Ticketing Practices Act.
- 1) Requires a ticket seller to, upon purchase, immediately deliver an electronic proof of purchase that can be tied to the ticket that will be delivered prior to the event.
- 2) Requires the venue operator to honor a legitimate proof of purchase linked to an existing ticket for entrance to an entertainment venue in lieu of an actual ticket, if the consumer cannot access their ticket at the time of an event.
- 3) Defines the following:

- a) “Consumer” means a natural person or persons who purchases tickets to an entertainment event with the express purpose of attending that event.
 - b) “Entertainment event” means forms of entertainment including, but not limited to, theatrical or operatic performances, concerts, and professional athletic competitions including football, basketball, baseball, boxing, tennis, hockey, and any other professional sport. The term does not apply to entertainment the primary purpose of which is not a performance or sporting event on a specific date at a specific time.
 - c) “Entertainment venue” means a publicly or privately owned place of live entertainment including, but not limited to, an arena, auditorium, concert hall, live performance venue, racetrack, stadium, theater, or other place where live entertainment events are presented for a price of admission. The term does not apply to an amusement park, fair ground, museum, or other venue where the primary purpose is to provide interactive entertainment that allows the consumer to engage with different exhibits and activities.
 - d) “Proof of purchase” means a receipt for the purchase of a ticket that is delivered electronically in a manner that allows it to be downloaded, copied, or saved in an electronic wallet and that contains a unique identifier linking it to the actual ticket purchased by the consumer.
 - e) “Ticket seller” means: a primary contractor, ticket seller, or agent of the primary contractor or ticket seller that engages in the initial sale of tickets for an entertainment event; an individual or business that re-sells tickets to consumers for an entertainment event; or an on-line ticket selling marketplace where consumers are able to purchase tickets for a live event.
 - f) “Venue operator” means any person who owns, operates, manages, or controls an entertainment facility.
- 4) Establishes a civil penalty of up to \$2,500 for each violation that may be brought on behalf of the people of California by the Attorney General, a district attorney, county counsel, a city attorney, or a city prosecutor.

EXISTING LAW:

- 1) Defines a “ticket seller” as any person who for compensation, commission, or otherwise sells admission tickets to sporting, musical, theatre, or any other entertainment event. (Bus. & Prof. Code § 22503.)
- 2) Clarifies that the following are not ticket sellers for purposes of existing law:
 - a) An officially appointed agent of an air carrier, ocean carrier, or motor coach carrier who purchases or sells tickets in conjunction with a tour package.
 - b) Any person who sells six tickets or less to any one single event, provided the tickets are sold off the event premises, including, but not limited to, designated parking areas and points of entry to the event.

- c) The person or organization responsible for the event for which tickets are being sold, or a seller of tickets operating under a written contract with this person or organization.
 - d) Any nonprofit charitable tax-exempt organization selling tickets to an event sponsored by the organization. (Bus. & Prof. Code §§ 22503.5, 22503.6, 22504, 22511.)
- 3) Requires that ticket sellers:
- a) Maintain records of ticket sales, deposits, and refunds. (Bus. & Prof. Code § 22501.)
 - b) Prior to sale, disclose to the purchaser by means of description or a map the location of the seat or seats represented by the ticket or tickets. (Bus. & Prof. Code § 22502.)
 - c) Make any partial or full deposit refundable if received on a future event for which tickets are not available, except for a service charge of not more than 10 percent, until such time as tickets for the event are actually available. (Bus. & Prof. Code § 22506.)
 - d) Provide a refund within 30 days for the ticket price of an event that is canceled. (Bus. & Prof. Code § 22507(a).)
 - e) Provide a refund, upon request, within 30 days, for the ticket price of an event which is postponed, rescheduled, or replaced with another event at the same date and time. (Bus. & Prof. Code § 22507(b).)
 - f) Provide that a local jurisdiction may require a bond of not more \$50,000 to cover required refunds. (Bus. & Prof. Code § 22507(d).)
 - g) Disclose that a service charge is imposed by the ticket seller and is added to the actual ticket price by the seller in any advertisement or promotion for any event by the ticket seller. (Bus. & Prof. Code § 22508.)
- 4) Prohibits a ticket seller from contracting to sell or accepting payment for tickets unless the ticket seller:
- a) Has lawful possession of the ticket;
 - b) Has a contractual right to obtain the ticket; or
 - c) Informs the purchaser, in a specified manner, that it does not have possession of the ticket, has no contract to obtain the offered ticket, and may not be able to supply the ticket at the contracted price. (Bus. & Prof. Code § 22502.1.)
- 5) Authorizes a ticket seller to accept a deposit from a prospective purchaser as part of an agreement that the ticket seller will make best efforts to obtain a ticket at a specified price or price range and within a specified time, provided that the ticket seller informs the purchaser, in a specified manner, of the terms of the deposit agreement and makes required disclosures. (Bus. & Prof. Code § 22502.1.)
- 6) Prohibits a ticket seller from representing that it can deliver or cause to be delivered a ticket at a specific price or within a specific price range and fail to deliver the ticket a) within a

reasonable time and b) below or within the price and range of prices stated. (Bus. & Prof. Code § 22502.2.)

- 7) Provides a private right of action to ticket purchasers for violations of 5) and 6). (Bus. & Prof. Code § 22502.3.)
- 8) Declares it unlawful for a person to intentionally use or sell software or services to circumvent a security measure, access control system, or other control or measure (including limits on the number of tickets a person can purchase) that is used to ensure an equitable ticket buying process for event attendees. (Bus. & Prof. Code § 22502.5.)
- 9) Deems a violation of the chapter of the Business and Professions Code containing the provisions above to be a misdemeanor. (Bus. & Prof. Code § 22505.)
- 10) Requires a ticket seller to have a permanent business address from which tickets may only be sold and that the address be included in any advertisement or solicitation. Makes a violation of this requirement a misdemeanor punishable by imprisonment or a fine not exceeding \$2,500 or by both, and provides for civil penalties of up to \$2,500 for violations. (Bus. & Prof. Code § 22500.)

COMMENTS:

1) **Author's statement.** According to the author:

People love concerts, sporting events, and other spectacles but they do not love the sometimes infuriating process of buying the tickets. As evidenced by the well-publicized troubles with Taylor Swift and Beyoncé tours, buying tickets is all too often an exercise in futility, with rumors of secret ticket sales and suspicions of manufactured scarcity driving people to the secondary market. This bill seeks to give people greater certainty when they purchase a live event ticket by requiring the seller to immediately provide an electronic proof of purchase. In addition, the bill requires that proof of purchase to be able to provide entry into the venue if specific requirements are met and the person cannot access their actual ticket. As many venues delay delivery of purchased tickets until increasingly close to the event, fans and consumers experience unnecessary anxiety about getting to see their favorite group or team. This bill intends to improve one portion of the ticket buying process by providing immediate certainty.

2) **Background.** Gone are the days of camping out overnight in line at a box office hoping to get tickets to a Van Halen, Madonna, or Michael Jackson concert or to one of your favorite team's games. In that pre-internet era, if overnight camping was not an option, a person could try calling the box office over and over, hoping to break through the busy signal to get an actual person who can sell tickets over the phone if the tickets have not sold out already. If those efforts failed, a fan could listen to their favorite radio station for hours at a time hoping to score free tickets through a call-in giveaway contest. Finally, if nothing else worked and the day of the concert or game arrived, they could take the chance of going to the venue in the hopes of finding a scalper standing in the parking lot, or near the entrance to the venue, holding up a couple of tickets for sale at a premium cash price. Of course, this last-ditch effort meant that fans ran the risk of being ripped off by a scalper selling fake tickets. But diehard fans often considered it a chance worth taking.

While some things remain unchanged for the music and sports fan, technology and the internet have profoundly changed the experience of ticket buying. The live entertainment ticket ecosystem is now simultaneously much more complicated and much more convenient. Now, in theory, when tickets go on sale for a concert or a game, fans go to the online ticket platform that is selling those tickets (often Ticketmaster) to purchase them and then have them delivered electronically. However, the reality is more complicated, depending how the consumer enters the online marketplace.

Today, the ticket market is broken down into on-sale primary vendors—comprised of venues and online primary ticket platforms—and the secondary (or resale) market, which is made up of ticket brokers and resale marketplace platforms, such as StubHub, SeatGeek, and Vivid Seats. Adding to the confusion, there is significant crossover between the two markets. For example, Ticketmaster operates a resale platform and SeatGeek operates as both a primary and secondary platform. When multiple secondary platforms and the on-sale primary vendor are all competing for ticket buyers, it can be very difficult for consumers to know where to buy tickets or even whether or not they are getting an actual ticket.

The primary market. The primary market is one in which event organizers control the ticket price, the sharing of the revenue between the artist, venue operator, and ticket company, and the decision as to which platform will sell the tickets. The prices set in the primary market heavily affect the volume and value of tickets in the secondary market. In general, it is most common to find underpriced tickets—tickets that sell on the primary market with a face value that is below their market value—so that event organizers can maximize the attendance of their target audience in order to increase customer loyalty, and merchandise sales.¹ To complicate ticket selling in the primary market, some artists have been known to hold back a portion of tickets to sell on the resale market in order to take advantage of the higher prices while still maintaining fan loyalty by offering the initial tickets at a low price.²

The secondary market. The secondary market is where tickets purchased on the primary market are resold. Ticket prices are usually significantly higher when purchased from someone in the secondary market. A study conducted by the National Independent Talent Organizations (NITO) analyzed data from 65 different shows around the country in 2023 where artists represented by NITO members performed. According to their findings, on average, ticket buyers were charged twice as much when buying tickets in the secondary market.³ Secondary market platforms not only serve as a way for professional ticket brokers (i.e. businesses that purchase event tickets solely for the purpose of reselling them for a profit) to sell tickets, they also play an important role by providing consumers who can no longer use their tickets a relatively simple way of recouping their money and perhaps making a profit by reselling them to someone else.

The platforms, for a fee, provide the infrastructure and technology that make up the marketplace for brokers and individuals to resell their tickets. Professional ticket brokers either enter into agreements with sports teams and promoters to have access to tickets for resale or they compete with consumers in the primary marketplace to purchase tickets that they intend to resell at a profit on the platforms. Generally speaking, these secondary market platforms, such as StubHub,

¹ *The Event Ticketing Industry is Broken and in Need of Disruption*, Aventus Network (May 19, 2017).

² Tyler Jenke, “Ed Sheeran’s manager has admitted to selling tickets to resale services,” *The Music Network* (Jun 3, 2018) available at <https://themusicnetwork.com/ed-sheeran-manager-sold-tickets-resale/>.

³ *NITO Ticket Resale Study*. National Independent Talent Organization (Jul. 2023).

Vivid Seats, TickPick, SeatGeek, and the secondary platforms run by Ticketmaster and their main competitor AXS, are similar to eBay (the former parent company for StubHub) or Etsy. This means that individual entities, who are generally not associated with the platform, are the ones selling the merchandise – tickets, in this case.

3) **Speculative ticket sales.** A speculative ticket refers to instances in which a seller offers a ticket for sale on a secondary ticket exchange before the seller actually has the ticket. In some cases, secondary sellers may not disclose the fact that they are selling speculative tickets. These practices harm consumers who either do not receive the tickets they purchased or receive tickets that differ from the ticket or seat advertised.

For over a decade, secondary resale markets have allowed the sale of tickets that sellers do not actually possess. Ticket brokers often refer to this practice as the equivalent of agreeing to stand in line for someone at the box office. They will buy tickets when they go on sale, so that the consumer does not have to wait in front of their computer, constantly refreshing their web browser. However, the consumer is often not aware that they are buying a ticket that the seller does not possess the ticket, nor do they realize they are paying a premium price, significantly above the face value, for a ticket that they may or may not receive.

4) **Why a ticket may not be delivered immediately.** One of the strategies often used by ticket sellers and venues to reduce the number of counterfeit tickets is delaying the delivery of an electronic ticket until close to the event, often 24 hours prior. Venue operators have found that delaying delivery as long as possible provides less time for fraudulent resellers to replicate the tickets and sell the fake tickets through the secondary marketplace.

During a February 2024 informational hearing held by this Committee on entertainment ticketing, venue operator after venue operator expressed frustration with having to deal with angry and frustrated fans who showed up at the venue with tickets that were fake. According to their testimony, this is a growing problem and for many of them it is happening every night that there is a show at their venue. Given this struggle, it is understandable that the unintended consequences of requiring early delivery of tickets could make the problem of fraudulent tickets worse.

However, delaying the delivery can sometimes cause significant problems for consumers. In some cases, a consumer may believe that they have purchased an actual ticket, rather than a speculative ticket and may make travel plans to attend an event. They may take time off of work, fly to a destination, and check into a hotel, all before the ticket is delivered. Then, 24 hours before the event, they receive an email stating that the seller was unable to obtain the ticket and providing them with a refund for the cost of the ticket. As a result, the consumer has used vacation time or lost wages and has spent hundreds, if not thousands of dollars to attend an event that they are unable to attend. Alternatively, they may have purchased a ticket from someone who not only does not have the ticket, but never had the intention of procuring one for the consumer.

5) **What this bill would do.** In order to provide the consumer with some level of assurance that they will receive the ticket they have purchased, while not unintentionally increasing the number of counterfeit tickets, the bill would do the following:

1. Require a ticket seller, whether a primary or secondary seller, upon selling a ticket to an entertainment event to immediately provide the consumer with a proof of purchase.
2. Require a venue operator to honor the proof of purchase in lieu of a ticket, if all of the following apply:
 - a. The consumer cannot access the ticket they purchased at the time of the event.
 - b. The proof of purchase can be proven by the venue operator to be legitimate.
 - c. The proof of purchase is linked to the purchased ticket.

What this bill does not do is require a venue operator to provide entrance to an event to any consumer that produces a paper receipt, a credit card statement, or an email confirming the purchase of the ticket. In order to gain entrance, the proof of purchase must allow the venue operator to determine its validity and connect it to the actual ticket. The bill is silent on the way that ticket sellers must accomplish this. Conceivably, the proof of purchase would be electronically linked to both the consumer's online ticket account and a unique identifier that will be included on the individual ticket, once it is released.

The bill is virtually identical to AB 2203 (McCarty, 2024) that was amended into this form by this Committee and unanimously passed in 2024.

ARGUMENTS IN OPPOSITION: In opposition to the bill, a coalition of professional sports teams argues:

Our venues utilize electronic tickets to reduce and eliminate fraud while streamlining entry. The use of electronic tickets has significantly decreased the instances of fraud and has provided fans with the certainty that the ticket they bought is a valid ticket. When tickets are purchased directly through the venue, team, or authorized ticket provider, fans receive electronic proof of purchase that we can always go back and verify through our own existing systems. However, we aren't able to verify proof of purchase for tickets bought on unauthorized or non-integrated marketplaces. Additionally, an individual may have a proof of purchase for initially purchasing the ticket but may have subsequently resold or transferred the ticket to another individual – invalidating their access to the ticket. In other words, simply having a proof of purchase does not guarantee that a fan has a legitimate ticket.

Currently, if a fan can't access their ticket, but has proof of purchase from a contracted ticket seller, we are typically able to verify the ticket and allow entry because we want to provide a positive experience for every fan and every event that we host. Unfortunately, we sometimes must deny access because we simply can't verify that a fan has a legitimate ticket.

Our front-line box office and gate staff routinely deal with disappointed customers who have purchased fraudulent tickets on the secondary market. If we were mandated to allow any proof of purchase, the use of fraudulent tickets would increase, and legitimate paying customers would suffer.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

Angels Baseball

Forty Niners Football Company Llc, a Delaware Limited Liability Company

Golden State Warriors

Los Angeles Dodgers LLC

Los Angeles Rams

San Diego Padres

San Francisco Baseball Associates LLC (dba San Francisco Giants)

San Jose Sharks

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