

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

AB 2808 (Wicks) – As Amended March 21, 2024

AS PROPOSED TO BE AMENDED

**SUBJECT:** Ticketing enterprise providers

**SYNOPSIS**

*The lack of healthy competition in the primary ticketing market has been a persistent concern for consumer advocates and policymakers. Over the last two decades (at least), Live Nation Entertainment, which acquired Ticketmaster in 2010, has grown to control between 60 to 80 percent of the ticketing and live event venues market. This purpose of this bill is to disrupt the primary market by opening access for businesses that want to have the opportunity to compete with Live Nation/Ticketmaster to capture a share of the market. By shortening the length of contracts between venue operators and primary ticket sellers and limiting exclusivity contracts in larger venues, the author intends to create space in the primary ticket market for other ticketing companies to compete.*

*This bill has been substantially amended to address the commitments made by the author in the Arts, Entertainment, Sports, and Tourism Committee and to strengthen consumer protections in the bill as required by this Committee. The amended bill, on a going-forward basis, prohibits exclusive contracts between large venue operators and a primary ticket selling platform; restricts exclusive contracts to a maximum of three years; and, requires that artists and their representatives maintain control of the distribution and sale of their tickets. In addition, the amendments exempt significant national and international sporting events along with non-profit entertainment venues.*

*Unfortunately, given the short time-period between the previous Committee hearing and this Committee hearing and the complexity of the issues the author is addressing, there was not time to fully resolve certain details. The suggested Committee amendments are intended to create a framework for addressing a number of the challenges for consumers, but will require further refining if the bill moves forward.*

*This bill is sponsored by the Consumer Federation of California and the version currently in print enjoyed the support of approximately 20 organizations, including the Chamber of Progress, Stub Hub, the California Black Chamber of Commerce, the California Hispanic Chamber of Commerce, and the Coalition for Ticketing Fairness (a national association of ticket brokers).*

*The opposition for the bill in print includes approximately 25 organizations, including SAG-AFTRA, the Music Artists Coalition, the Union of Musicians and Allied Workers, the Recording Academy, and Live Nation/Ticketmaster.*

*It is unknown how the Committee amendments will impact the support and opposition.*

*This bill passed the Arts, Entertainment, Sports, and Tourism Committee on a 5-1-1 vote.*

**SUMMARY:** Prohibits certain entertainment venue operators, as defined, from entering into an exclusive contract with a primary ticket seller. Specifically, **this bill:**

- 1) Defines the following terms for this chapter:
  - a) “Artist” means actors rendering services on the legitimate stage, musical artists, musical organizations, and other performing artists rendering professional services in theatrical and other live entertainment enterprises.
  - b) “Artist representative” means a person or corporation who is authorized to represent an artist and engages in the occupation of procuring, offering, promising, or attempting to procure employment or engagements for an artist or artists.
  - c) “Consumer” means a natural person or persons who purchase tickets to an entertainment event with the express purpose of attending that event.
  - d) “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. A theater or venue operated by a nonprofit entity organized under Section 501(c)(3) of the Internal Revenue Code does not constitute an entertainment venue for the purposes of this chapter.
  - e) “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 for which the primary purpose is not a performance or sporting event on a specific date at a specific time.
  - f) “Operator” means any person who owns, operates, manages, or controls an entertainment facility.
  - g) “Primary ticket seller” means a primary contractor as defined in Section 22503.5, ticket seller, or agent of the primary contractor or ticket seller that engages in the initial sale of tickets for a live entertainment event.
- 2) On or after January 1, 2025, prohibits an operator of an entertainment venue with a seated capacity of \_\_\_\_\_ people or more from entering into an exclusive contract with a primary ticket seller.
- 3) Limits the term of contracts between the operator of a venue with a seated capacity of \_\_\_\_\_ people or more and a primary ticket seller to no longer than three years.
- 4) Requires an operator entering into an agreement with an artist or artists’ representative to allow the artist or their representative to determine the terms and conditions related to the sale, pricing, distribution, and transfer of tickets to their events.

- 5) Exempts significant national and international sporting events that may require more strict regulations on the sale of tickets for purposes of controlling the sale of the tickets in order to ensure maximum availability for consumers and for maintaining the safety and security of both attendees and athletes.

**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.)

**FISCAL EFFECT:** As currently in print, this bill is keyed fiscal.

**COMMENTS:**

1) **Background.** Gone are the days of camping out overnight in line at a box office hoping to get tickets to a Fleetwood Mac, Pink Floyd, or Luther Vandross 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, in the hopes that 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.

*Buying tickets online.* 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. Largely gone are the days of box offices and paper tickets. 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 market place.

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, 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 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.<sup>1</sup> To complicate ticket selling in the primary market, some artists have been known to hold back a certain number 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.<sup>2</sup>

*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.<sup>3</sup> 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

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

<sup>2</sup> 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/>.

<sup>3</sup> *NITO Ticket Resale Study*. National Independent Talent Organization (Jul 2023)

role by allowing 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. These secondary market platforms, such as StubHub, Vivid Seats, TickPicks, SeatGeek, and the secondary platforms run by Ticketmaster and their main competitor AXS, generally speaking, are similar to eBay (the former parent company for StubHub) or Etsy, meaning that individual entities, who are generally not associated with the platform, are the ones selling the merchandise – tickets, in this case.

2) **Purpose of this bill.** The focus of this bill, according to the author, is on the problems in the primary market, specifically. The lack of healthy competition in that market is a concern for consumer advocates and policymakers. Over the last two decades (at least), Live Nation Entertainment, which acquired Ticketmaster in 2010, has grown to control between 60 to 80 percent of the ticketing and live event venues market.<sup>4</sup> The merged entity was responsible for the infamous Taylor Swift Ticketmaster platform meltdown in 2022 when tickets for her Eras tour went on sale:

It's no secret that Taylor Swift fans were outraged in November 2022 when millions flocked to Ticketmaster.com to grab tickets to see the heartbreak queen for the first time since 2018 and the website crashed. The long wait lines and frozen screens sparked an uproar with fans, blaming Ticketmaster for ruining their chances to see the pop star.

“As the leading player, we have an obligation to do better,” said Joe Berchtold, Live Nation Entertainment president and chief financial officer, at the hearing Tuesday.

This is not the first time consumers have called for the breakup of Ticketmaster and Live Nation. It's also not the first time the Department of Justice has been reportedly looking into alleged misconduct by the company.

When the Live Nation and Ticketmaster merger was approved in 2010, it was under the condition of a consent decree. Among other things, the purpose of that agreement was to forbid Live Nation from retaliating against a venue for using a ticketer other than Ticketmaster. After an investigation, in 2019 the DOJ made its most significant enforcement action of an antitrust decree in 20 years when it alleged Live Nation Entertainment violated that decree. The company settled with the government.<sup>5</sup>

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<sup>4</sup> Daniel De Vise, “Congress, Ticketmaster and Taylor Swift: How we got here”, *The Hill*, February 8, 2023, available at <https://thehill.com/business/3847966-congress-v-ticketmaster-how-we-got-here/>.

<sup>5</sup> Emily Lorsch, Why Live Nation and Ticketmaster dominate the live entertainment industry (Jan 25, 2023) CNBC, <https://www.cnn.com/2023/01/25/the-live-nation-and-ticketmaster-monopoly-of-live-entertainment.html>.

The company's outsized power has created concerns among some in the industry that Live Nation will retaliate if an artist or venue goes with a ticketing company other than their Ticketmaster operation. In many cases, exclusivity agreements require Ticketmaster to be used:

"In a world where the promoter and the venue are not affiliated with each other, we can trust that the promoter will look to get the best deal from the venue; however, in this case the promoter and the venue are part of the same corporate entity so the line items are essentially Live Nation negotiating to pay itself," [one musician from the band Lawrence] said.

The band told CNBC if they want to play a certain size venue in a particular city, they are sometimes left no choice other than to use Live Nation because of the lack of competition in some regions. Then if they would like to use another ticketer other than Ticketmaster, they say that is not an option.

"Ticketmaster has created these exclusive contracts, once you sign that contract, a band is not allowed to come in and say, 'we want to sell our tickets with X, Y, Z platform,'" said Jordan Cohen, one of the band's eight members.

They even have a song with the lyric, "Live Nation is a monopoly." "Due to Live Nation's control across the industry, we have practically no leverage in negotiating," Lawrence said.

While the company does have some competition, experts say no other firm currently stands a chance.<sup>6</sup>

These concerns are not just expressed by musicians and consumer advocates. The Justice Department is reported to have opened an investigation into Live Nation, focused on whether the company has "abused its power over the multibillion-dollar live music industry":

Members of the antitrust division's staff at the Justice Department have in recent months contacted music venues and players in the ticket market, asking about Live Nation's practices and the wider dynamics of the industry, said the people, who spoke on the condition of anonymity because the investigation is sensitive. The inquiry appears to be broad, looking at whether the company maintains a monopoly over the industry, one of the people said.<sup>7</sup>

The U.S. Senate Judiciary Committee felt the issue pressing enough to hold an oversight hearing to delve into the issue, "Location Change: That's the Ticket: Promoting Competition and Protecting Consumers in Live Entertainment."<sup>8</sup> Senator Klobuchar explained the need for the hearing: "For too long, consumers have faced high fees, long waits, and website failures, and

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<sup>6</sup> *Ibid.*

<sup>7</sup> David McCabe & Ben Sisario, *Justice Dept. Is Said to Investigate Ticketmaster's Parent Company* (Jan 24, 2023) The New York Times, <https://www.nytimes.com/2022/11/18/technology/live-nation-ticketmaster-investigation-taylor-swift.html>.

<sup>8</sup> Video of the hearing available at: <https://www.judiciary.senate.gov/committee-activity/hearings/thats-the-ticket-promoting-competition-and-protecting-consumers-in-live-entertainment>.

Ticketmaster's dominant market position means the company faces inadequate pressure to innovate and improve."<sup>9</sup>

The practices above leave consumers in the lurch. They are forced to pay exorbitant service fees and other charges, exacerbated by the fact that the original ticket seller faces little competition. Then, if they are not among the lucky ones who can buy quickly, they are price-gouged on the secondary market.

The purpose of this bill is to disrupt the primary market by opening access for businesses that want to have the opportunity to compete with Live Nation/Ticketmaster to capture a share of the market. By shortening the length of contracts between venue operators and primary ticket sellers and limiting exclusivity contracts in larger venues, the author intends to create space in the primary ticket market for other ticketing companies to compete.

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

AB 2808 is a first of its kind bill; it attacks the root cause of high event ticket prices and lack of access, by requiring competition at the first point of sale for tickets. Right now, exclusive to this industry, one entity effectively controls 80% of ticket sales in this country and 78% of the top-grossing arenas in addition to managing the artists. Adjusted for inflation, ticket prices have increased 140% since the Ticketmaster/Live Nation merger in 2010. This bill will increase competition by prohibiting live entertainment facilities from entering into exclusive contracts with one ticket provider. This change will give consumers a choice in ticket sellers, just like they have a choice in hotels, airlines, online retail and every other industry.

4) **Providing opportunities for smaller, innovative companies.** Despite Ticketmaster's dominance in the market, there are other companies that are finding success as primary ticket sellers. Of note, smaller, innovative ticket sellers have been carving out unique niches within the primary ticket marketplace over the last decade by using more advanced technology that allows them to meet the changing needs of artists, venues, and consumers and by creating hybrid platforms that offer more than a traditional online box office this is designed only for selling concert tickets.

For example, ticket company DICE offers a platform that allows music fans to connect their Spotify or Apple Music accounts, which allows DICE to make recommendations to consumers about upcoming shows that they might want to attend based on their musical tastes and what they are currently streaming. In addition, the platform allows consumers to follow their favorite artists allowing them to get information on upcoming tours and live shows. According to their website, "Since 2014, DICE has been reshaping the ticketing industry for fans, artists and venues – breaking down barriers that get in the way of a good time, and creating a fairer and more inclusive industry in the process."<sup>10</sup>

Another example is ticket company TIXR. A California-based company, TIXR, was founded by technologists who have used their expertise to build a platform for selling live event tickets.

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<sup>9</sup> News Releases, Klobuchar, *Lee Announce Date of Senate Judiciary Committee Hearing on Problems in America's Ticketing Markets* (Jan. 17, 2023) Senator Amy Klobuchar website, <https://www.klobuchar.senate.gov/public/index.cfm/2023/1/klobuchar-lee-announce-date-of-senate-judiciary-committee-hearing-on-problems-in-america-s-ticketing-markets>.

<sup>10</sup> <https://dice.fm/partners>



Their goal was to be nimble enough to sell a large volume of tickets quickly, recognize bot activity and recover tickets purchased by bots for resale, and to maintain a site that is easy for ticket buyers to navigate. According to their website, one of the unique features they offer is allowing concert promoters to build packages that allow them to sell merchandise, create hospitality packages for their fan-base, offer the ability to pre-order food and beverages during shows, and provide live-stream access.

Among the things that both of these companies have in common is that they have found ways to disrupt the secondary market by being able to recognize and stop bot activity on their platforms, thus allowing them to ensure that the tickets for sale on their platforms are going to actual consumers, rather than to individuals and businesses intending to sell them at an inflated price on the resale platforms. Another way they have disrupted the secondary market is by creating waiting lists for consumers who were unable to get tickets at the initial sale. TIXR's waitlist requires a consumer to enter their credit card information and then if additional tickets are offered for sale they are offered the tickets, at the original face value in the order they appear on the list. According to both companies, offering a waitlist helps stop people from turning to a secondary market.<sup>11</sup>

The success of companies like these that have found ways of offering services and experiences that Ticketmaster and other large platforms cannot demonstrates that the market is working to erode Ticketmaster's dominance. However, opening up opportunities for companies to compete for primary sales contracts by reducing the allowable length of the contracts, arguably could assist in creating a more competitive ticket marketplace.

**5) Proposed Committee amendments.** The Committee worked closely with the author's office to recast the bill in a way that addresses some of the largest concerns raised by stakeholders. In addition, this Committee believes that these proposed amendments fulfill the commitments the author made to the chair of the previous policy Committee.

Unfortunately, given the short time-period between the previous Committee hearing and this Committee hearing and the complexity of the issues the author is addressing, there was not time to fully develop the detailed policy changes that this Committee prefers when amending a bill under its jurisdiction. The suggested Committee amendments are intended to create a framework for addressing a number of the challenges for consumers discussed previously in this analysis, but will require further refining if the bill moves forward.

The Committee recommends the following amendments:

*Amendment #1.* Remove the current definitions in the bill, with the exception of "Entertainment venue" and replace them with the following definitions:

(a) ***"Artist" means actors rendering services on the legitimate stage, musical artists, musical organizations, and other performing artists rendering professional services in theatrical and other live entertainment enterprises.***

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<sup>11</sup> <https://creators.tixr.com/products/tixr>

(b) ***“Artist representative” means a person or corporation who is authorized to represent an artist and engages in the occupation of procuring, offering, promising, or attempting to procure employment or engagements for an artist or artists.***

(c) ***“Consumer” means a natural person or persons who purchase tickets to an entertainment event with the express purpose of attending that event.***

(d) ***“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. A theater or venue operated by a nonprofit entity organized under Section 501(c)(3) of the Internal Revenue Code does not constitute an entertainment venue for the purposes of this chapter.***

(e) ***“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 that’s primary purpose is not a performance or sporting event on a specific date at a specific time.***

(f) ***“Operator” means any person who owns, operates, manages, or controls an entertainment facility.***

(g) ***“Primary ticket seller” means a primary contractor as defined in Section 22503.5, ticket seller, or agent of the primary contractor or ticket seller that engages in the initial sale of tickets for a live entertainment event.***

Of note, the definition of “entertainment venue” has been amended to clarify that non-profit venues are exempt from the provisions in this bill.

In addition, the proposed amendments to the substantive sections of the bill required a number of new definitions to provide clarity. Among them is a definition of consumer that is intended to clarify who this bill is ultimately intended to benefit. A consumer in the live entertainment ticket market is simply someone who wants to purchase tickets to attend live entertainment events. It is not someone who purchases tickets as an investment with plans to resell them to make a profit off of consumers while adding no additional value or service.

*Amendment #2: Remove the remaining contents of the bill, with the exception of the penalty, and replace it with the following:*

***22512.1. (a) (1) A contract entered into, amended, or renewed on or after January 1, 2025, between a primary ticket seller and an operator of an entertainment venue with a seated capacity of \_\_\_\_\_ people or more shall not provide for the primary ticket seller to be the exclusive and sole primary ticket seller.***

***(2) The term of the contract shall be no longer than three years.***

***(b) An operator when entering into an agreement with an artist or artist representative shall allow the artist or artist representative to determine the terms and conditions related to the sale, pricing, distribution, and transfer of tickets to their events.***

This suggested amendment provides the core of the bill. It is intended to accomplish three things. First and foremost, it prohibits exclusive contracts between venue operators of large venues and primary ticket sellers. (The exact capacity of what size of venue will fall under this prohibition will be determined by the author when the bill is amended in the next Committee.) Limits the length of the contract to no more than three years. Finally, it enshrines in statute that artists and their representatives shall have the right to determine the terms and conditions related to the sale of tickets to their events.

Based on this Committee's reading of the Arts, Entertainment, Sports, and Tourism Committee analysis, this amendment should fulfill the author's commitment to the chair to continue to allow sports teams to enter into contracts that allow them to control the sale of their tickets. Nothing in this bill will prohibit contracts between ticket sellers and venue operators.

*Amendment #3:* Adds the following exemption:

***22512.2. This chapter shall not apply to significant national or international sporting events, such as the World Cup, the Super Bowl, the Olympic and Paralympic Games, the annual Rose Bowl game, the Stanley Cup, and the World Series where many anticipated attendees of these events will be traveling from outside of the state and outside of the country specifically to attend an event that may require more strict regulations on the sale of tickets for purposes of controlling the sale of tickets in order to ensure maximum availability for consumers and for maintaining the safety and security of both the attendees and the athletes.***

According to the Arts, Entertainment, Sports, and Tourism Committee analysis, one of their concerns was that significant sporting events may require special considerations when it comes to controlling the sale of tickets. This amendment exempts those events from the requirements of this bill.

*Amendment #4:* Updates the penalty language as follows:

***22512.3. A person who violates this section shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which may be assessed and recovered in an action brought in the name of the people of the State of California by the Attorney General, a district attorney, a city attorney, county counsel, or a city prosecutor. In addition, the court shall award a prevailing public prosecutor reasonable costs and attorney's fees.*** For purposes of this section, each ticket ~~not~~ sold or offered for sale in violation of this section shall constitute a separate violation. The remedies provided by this section are in addition to the remedies or penalties available under all other laws of this state.

This added language is intended to reimburse public attorneys, with limited resources, for the costs associated with bringing civil suits against those who violate the provisions in this bill.

*Amendment #5:* Adds the following uncodified findings and declarations:

***The Legislature finds and declares:***

*There are many social and emotional upsides for individuals who are able to experience live entertainment and sporting events, including positive impacts to well-being and happiness.*

*Live events often serve as a focal point for communities to come together, by creating a shared sense of identity, belonging, and social cohesion among attendees with similar interests.*

*Fans of popular artists and sports teams can have very diverse backgrounds. By fostering a sense of inclusivity and breaking down societal barriers, people of various ages, ethnicities, and backgrounds can share in the enjoyment of these events.*

*Emotional engagement with musical performances and sports can reduce stress and promote mental well-being. The exciting and positive experiences at sporting events or concerts can trigger the release of endorphins, which are often associated with increased happiness and a positive emotional state.*

*Studies have shown that listening to music lowers the hormone cortisol, which causes feelings of stress and anxiety, and can lead to decreases in heart rate, blood pressure and respiratory rate.*

*Attending live events often leads to cherished memories, which can have a positive impact on an individual's emotional well-being and provide a source of nostalgia in the future.*

*People are very passionate about their fandom and the events that they want to attend, and devote significant time and resources to see their favorite performers or sports teams.*

*Although it can be argued that it is a luxury to have access to these types of events, there is no question that live entertainment can have a huge, positive impact on people and the communities they live in.*

*Access to live entertainment has value for inspiring the next generations of artists, athletes, and performers in the state. It encourages creativity and self-expression not only for the performers and athletes, but for the audience and fans as well.*

*Witnessing talented individuals in person can ignite artistic aspirations and may influence the audience to explore their own musical or athletic abilities. This inspiration empowers individuals and can become a catalyst for personal growth, exploring potential, and fosters a sense of empowerment.*

*For youth, exposure to live entertainment could lead to participation in extracurricular activities, which promotes greater levels of academic achievement, self-esteem, and resiliency.*

*Given the positive impact of live entertainment events on Californians and their communities, it is in the interest of the Legislature to establish policies that foster and support a vibrant and eclectic live entertainment industry and ensure that Californians continue to have access to a wide range of affordable live entertainment events.*

The purpose of the new findings and declarations is to signal that it is the intent of the Legislature to focus policies related to live entertainment ticketing on protecting the ability of Californians to attend entertainment events and to recognize the importance of these events for individuals and communities.

Taken as a whole, the Committee believes that these amendments strengthen the bill by allowing for the disruption of the primary market when it comes to larger venues, while protecting smaller independent for profit and non-profit venues that rely on exclusive contracts with ticket sellers to provide necessary revenue and technical infrastructure for their venues. In addition, the amendments provide artists with much needed control over their work product by allowing them to control how tickets are sold and distributed. Finally, the amendments clarify in statute the consumers that this Committee aims to protect under its consumer protection jurisdiction.

5) **Related legislation.** AB 2203 (McCarty, 2024) requires a ticket seller to provide an immediate proof of purchase to a consumer and requires a venue operator to honor a proof of purchase for a ticket for entrance to an entertainment venue, if a consumer does not have access to the ticket at the time of the event. That bill is being heard by the Committee at the same time as this bill.

AB 8 (Friedman, 2023) would have required a ticket seller to disclose to a purchaser the total price of the ticket and the portion of that price that represents any fees or surcharges. The seller must also provide a link to an internet web page that includes certain refund requirements, as specified. AB 8 was held under submission on the Senate Appropriations Committee suspense file.

AB 1556 (Friedman, Chap. 180, Stats. 2021) required, for cancelled events, that a refund be made within 30 calendar days of the cancellation. It further required a ticket price at any event which is postponed, rescheduled, or replaced with another event at the same date and time be fully refunded to the purchaser by the ticket seller upon request within 30 calendar days of the refund request.

AB 1032 (Quirk, Chap. 105, Stats. 2019) bolstered anti-bot provisions enacted by AB 329, described below, by clarifying that “a control or measure used to ensure an equitable ticket buying process” includes limits on the number of tickets that a person can purchase.

AB 329 (Pan, Chap. 325, Stats. 2013) made it a misdemeanor to intentionally use or sell software to circumvent a security measure, access control system, or other control or measure on a ticket seller’s internet website that is used to ensure an equitable ticket buying process.

SB 478 (Dodd, Chap. 400, Stats. 2023) makes it an unlawful business practice pursuant to the Consumer Legal Remedies Act to advertise, display, or offer a price for a good or service that does not include all mandatory fees or charges other than taxes imposed by a government.

SB 785 (Caballero, 2023) would update laws regulating ticket sales by establishing new categories of ticket sellers, establishing requirements for different categories of ticket sellers, and increasing penalties for violations of rules governing ticket seller operations. That bill is currently pending in this Committee.

SB 829 (Wilk, 2023) prohibits the operator of an entertainment facility and a primary ticket seller from entering into a contract that provides for the primary ticket seller to be the exclusive

ticket seller for the operator of the entertainment facility. That bill is currently pending in the Arts, Entertainment, Sports, and Tourism Committee.

***ARGUMENTS IN SUPPORT:***

A coalition of organizations, writing in support for the bill currently in print, state:

Today there is virtually no competition in primary ticket sales because all the control lies in the hands of a single company - Live Nation/Ticketmaster (LNE/TM). Every step of the live event marketplace – from artist management to promotion to venues to ticketing – is heavily influenced by LNE/TM. This monopoly has fostered an anti-competitive environment that leaves fans frustrated by increased prices, less access to events, and less control of tickets they rightfully purchased.

***ARGUMENTS IN OPPOSITION:***

A coalition of artist organizations, writing in strong opposition to the bill currently in print, argue:

The undersigned organizations represent music creators, the venues where artists play, the labels for whom they record, and labor organizations – those who create, invest in, and deliver live entertainment events to our fans. No one cares more about music fans and creating a great live experience for fans than our members. Our members are the ones who work every day to make concerts great. We are on the frontlines. And, at the risk of being immodest, we are the foundation of the live entertainment business in California. We are dedicated to protecting and advocating for artist rights without compromise.

AB 2808 was drafted and introduced without any consultation or engagement with artists, venues, or the broader music community. Its primary effect would be to undermine artist control of ticketing for their shows; drive up prices for their fans by outlawing the most successful consumer affordability tools; and ensure that ticket scalpers, resellers, and illegal bots are able to claim and sell the majority of seats at unchecked, sky-high prices. It would be a huge step backward for artists and their fans, a paradoxical result to the stated consumer protection intention of the bill.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Consumer Federation of California (sponsor)  
California Black Chamber of Commerce  
California Hispanic Chambers of Commerce  
California League of United Latin American Citizens  
California LULAC State Organization  
California Urban Partnership  
Central Valley Yemen Society  
Chamber of Progress  
Coalition for Ticket Fairness  
Event Tickets Center INC.  
Hispanic 100

Latin Business Association  
LENUSA  
Multicultural Business Alliance  
National Action Network - Sacramento Chapter  
Si Se Puede Fresno, Tulare, Kings & Kern  
Sports Fans Coalition  
StubHub, INC.  
Women Veterans Alliance

**Opposition**

American Association of Independent Music  
Artist Rights Alliance  
Black Music Action Coalition  
Broadway San Diego  
Fan Alliance  
Future of Music Coalition  
Golden State Warriors  
Live Nation Entertainment, INC.  
Los Angeles Philharmonic Association  
Los Angeles Rams  
Music Artists Coalition (MAC)  
Music Managers Forum - US  
Music Workers Alliance  
National Independent Talent Organization  
Recording Academy  
Recording Industry Association of America  
SAG-AFTRA  
San Francisco 49ers  
San Jose Sharks  
Songwriters of North America  
Union of Musicians and Allied Workers  
United Musicians and Allied Workers

**Oppose Unless Amended**

AXS  
California Arts Advocates  
National Independent Venue Association of California

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