

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 740  
Economic Matters

(Delegate Clippinger)

Finance

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Commercial Law - Consumer Protection - Ticket Website Domain Names

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This bill prohibits a person who owns, operates, or controls a “ticket website” from using in the Uniform Resource Locator (URL) a “lower-level domain name” that contains (or is substantially similar to) (1) the “venue” name or (2) the event name (including the name of an individual or a group performing or appearing at the event). The bill does not apply to a person who is acting on behalf of a venue. Violation of the bill is an unfair or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.

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**Fiscal Summary**

**State Effect:** The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations.

**Local Effect:** The bill’s imposition of existing penalty provisions does not have a material impact on local government finances or operations.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary:** A “lower-level domain name” is the portion of text in a URL that is to the left of top-level domains such as “.com,” “.net,” or “.org.” A lower-level domain name includes a second-level, third-level, and any other subdomain name.

A “ticket website” is a website advertising or offering the sale or resale of tickets. It also includes a website facilitating a secondary ticket exchange or electronic marketplace that enables consumers to sell, purchase, and resell tickets to an entertainment event in the State.

A “venue” is a theater, stadium, field, hall, convention center, fairground, or any other facility where an entertainment event takes place.

**Current Law:** “Ticket” is defined as a ticket for admission to an entertainment event; “entertainment event” is defined as a performance, recreation, amusement, diversion, spectacle, show, or any similar event and includes a theatrical or musical performance, concert, film, game, ride, or sporting event.

### *Unfair or Deceptive Trade Practices*

An unfair or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$1,000 for the first violation and up to \$5,000 for each subsequent violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

**Background:** In recent years, ticket resellers have been criticized for misleading consumers by claiming, among other things, to be official ticket sellers. As a result, consumers have sometimes overpaid for tickets.

In early 2018, Google implemented new advertising guidelines regarding ticket resellers. Ticket resellers seeking to advertise with Google must gain certification by complying with the guidelines. Among other changes, the guidelines specified that a ticket reseller must avoid implying that the reseller is the primary provider of tickets. As a result, a reseller’s

website must not include the artist or venue name in the website's URL. The guidelines do not apply to the primary provider of tickets.

**Small Business Effect:** Any small businesses in the State engaged in sales or resales of tickets (or facilitating secondary exchanges or marketplaces for sales/resales) may be affected by the bill's requirements. To the extent that those small businesses operate websites that include the bill's prohibited terms within URLs, they will need to change their domain names to comply with the bill, possibly resulting in additional expenses. As a result of compliance with the bill, some of these businesses may experience a decline in web traffic and ticket sales.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 693 (Senator Feldman, *et al.*) - Finance.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Google, Inc.; British Broadcasting Corporation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2018  
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