

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 701
Economic Matters

(Delegate Wilson)

Rules

Commercial Law - Consumer Protection - Sale and Resale of Tickets

This bill establishes numerous consumer protections and disclosure requirements relating to the sale and resale of tickets. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions. **The bill takes effect October 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures likely increase, at least minimally, for the Office of the Attorney General (OAG), Consumer Protection Division beginning in FY 2026, as discussed below. The bill’s imposition of existing penalty provisions is not anticipated to have a material impact on State revenues.

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: Meaningful.

Analysis

Bill Summary: A “secondary ticket exchange” means an electronic marketplace that enables consumers to sell, purchase, and resell tickets. A “ticket issuer” means a person that, directly or indirectly, issues initial tickets for an entertainment event.

The listing for a ticket (and each step of a transaction to purchase a ticket) must (1) clearly and conspicuously disclose the total price of the ticket, including all fees and taxes; (2) provide an itemized listing of all charges that comprise the total price of the ticket,

including all fees and taxes; and (3) identify the seat number and zone or section of the ticket, to the extent applicable to the seat and venue. These requirements apply only to secondary ticket exchanges, ticket issuers, and resellers. The bill specifies that it does not apply to tickets sold for a series of events, such as season tickets for a sports team or a theater company; this exemption also applies to existing statutory provisions related to the sale of speculative tickets that are described below.

The total price at which a reseller may sell (or offer to sell) a ticket may not exceed the total price of the initial ticket, including all fees and taxes in connection with the initial ticket. These requirements do not apply to a fee that a secondary ticket exchange may charge for the service of providing a marketplace for the resale of a ticket. The fee that a secondary ticket exchange may charge for the service of providing a marketplace for the resale of a ticket may not exceed 10% of the total price of the initial ticket. A secondary ticket exchange may not provide a marketplace for the resale of a ticket that violates the bill's provisions.

Subject to reasonable restrictions imposed by a ticket issuer, a person may not prohibit or restrict the transfer or resale of a ticket that was made available to the general public for purchase.

Finally, the bill repeals several exceptions to the prohibition against a reseller selling (or offering to sell) speculative tickets and provisions relating to required refunds; as a result, a reseller may not sell or offer to sell speculative tickets under the bill.

Current Law: A “speculative ticket” is a ticket that is not in the actual or constructive possession of the reseller at the time of sale. A speculative ticket includes a ticket sold by a reseller that, at the time of resale, is not (1) in the physical possession of the reseller; (2) owned by the reseller; or (3) under contract to be transferred to the reseller.

A “resale” is the second or subsequent sale of a ticket. A “reseller” is a person who offers a ticket for resale. A “ticket” means physical, electronic, or other evidence that grants the possessor permission to enter a place of entertainment for one or more events at a specified date and time.

Disclosure and Refund Requirements

A ticket reseller is prohibited from selling (or offering to sell) a speculative ticket (a ticket that is not in the actual or constructive possession of the reseller at the time of sale) unless the reseller discloses specified information to a prospective purchaser at the outset of the sales transaction. Specifically, the reseller must clearly and conspicuously disclose (1) that the tickets are speculative tickets, and the reseller is not in possession of the tickets; (2) that the reseller is making an offer to procure the tickets for the prospective purchaser; (3) an

approximate date on which the tickets will be delivered to the purchaser; (4) the name or a description of the event for which the tickets will permit entry; (5) the total number of tickets included in the transaction; (6) the number of tickets for seats that are together; (7) the zone or section number of the tickets (if applicable to the venue); and (8) the seat numbers of any reserved seat tickets or, if applicable, that the reseller cannot guarantee the specific seats because the tickets are speculative tickets.

A ticket reseller must refund any consideration or deposit paid for tickets if the reseller fails to obtain the tickets (1) within 24 hours after the approximate date of specified delivery but before the commencement of the event or (2) in conformity with the disclosures noted above. A reseller must make required refunds within 10 days after the final day of the event for which the tickets were sold.

Maryland Consumer Protection Act

An unfair, abusive, 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, abusive, 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 \$10,000 for each violation and up to \$25,000 for each repetition of the same 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.

State Expenditures: General fund expenditures likely increase, at least minimally, for OAG to handle enforcement under the bill. OAG advises that it may require as many as three additional positions (one full-time assistant Attorney General, one investigator, and one mediator) with corresponding general fund expenditures of up to \$309,100 in fiscal 2026 and \$417,900 by fiscal 2030.

However, the Department of Legislative Services advises that the extent of resources potentially needed by OAG is dependent on the number of complaints filed under the bill

and the level of effort involved in each case. While generally acknowledging that expenditures likely increase at least minimally for enforcement efforts, without experience under the bill, the need for additional staff is unclear. To the extent that additional staffing resources are required, OAG may request them through the annual budget process.

Small Business Effect: Any ticket issuers or resellers that are small businesses are subject to additional requirements under the bill (*e.g.*, disclosure requirements, limitations on fees that may be charged, etc.) and may be meaningfully affected by the bill's requirements.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 539 (Senator Gile, *et al.*) - Finance.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

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