

HB 795 – Economic Matters Committee

It's My Amphitheater, Inc.

UNFAVORABLE

It's My Amphitheater, Inc. ("IMA") is the operator of Merriweather Post Pavilion. Merriweather has been in operation since 1967 and welcome more than 250,000 people to its venue every year. It is perennial engine for the regional economy while also bringing international talent to our state. Notably, Merriweather Post Pavilion is one of the largest independent music venues in the country.

As the operator, IMA books, markets, and produces the musical acts that come to Merriweather Post Pavilion. It does this at significant risk, both financially but also regarding IMA's reputation. If a guest has a bad experience, they don't blame the ticketing agency. They blame Merriweather. This performance space became Rolling Stone and Pollstar's top outdoor venue in part because IMA takes care of -- and respects -- its customers. They are ardent protectors of their fans.

The greatest threats to performing venues and legitimate ticket providers are ticket scalpers (i.e., ticket "resellers"). They use sophisticated software to buy up the product that entities like IMA work so hard to produce and sell it at a profit far in excess from what the performance venue would make. They are unscrupulous in this regard and the consequence of their greed falls on companies like IMA.

House Bill 795 takes away what few measures IMA has to protect its fans and further empowers ticket scalpers to harm consumers. On the face of the bill, it appears that this legislation would come down harder on scalpers, but that is belied by the practical truth that laws against scalpers are unenforceable. While a company like IMA has a physical address, scalpers do not. Some of these entities don't even operate from within the United States. While the Attorney General has putative powers to prosecute these companies, the inability to locate them makes these laws meaningless. IMA and its fellow ticket issuers strongly recommend that legislation be taken up next session to make it harder to scalp tickets in Maryland.

In legal terms, IMA sells "licenses" to members of the public to come onto its leased premises. IMA, and other performance venues, should retain exclusive

control over who is allowed onto their premises and under what circumstances. This legislation completely disregards IMA's rights in this regard. The ultimate result is that IMA would have no control in prohibiting certain individuals who have abused that license from coming back to the venue, would inhibit the contractual relationship it enters into with artists regarding ticket sales, and ultimately make it harder for IMA to attract the kinds of performers that Merriweather is known to put on stage.

Most concerning is the refund requirement for counterfeit tickets. HB 795 would require a Ticket Issuer like IMA to refund the purchase price of tickets that it may have had no part in selling. Moreover, this legislation also requires Ticket Issuers to refund the full value of *counterfeit tickets* with no definition in the law or standard of care on behalf of the ticket purchaser. Under such circumstances, a bad actor could produce an unlimited amount of counterfeit tickets and IMA would be compelled to pay whatever value is shown.

IMA seeks to be partners with the General Assembly in protecting ticket consumers. Merriweather has a hard-won reputation with performers and concert-goers as being one of the best places in the country to see live music. We would respectfully ask the committee issue an unfavorable report on this legislation with the opportunity to come together before next session with new legislation that meets the purpose this bill purports to address.

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